



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

FEB 24 2014

THE INSPECTOR GENERAL

The Honorable David Vitter
Ranking Member
Committee on Environment and Public Works
United States Senate
Washington, DC 20515

Dear Senator Vitter:

I have received your letters to me of February 18, February 19 and February 20 addressing several recent projects by my office. The February 18 letter primarily addresses matters involving former U.S. Environmental Protection Agency (EPA) employee John Beale. Your February 19 letter primarily addresses our program evaluation report regarding Clean Air Federal Advisory Committees and the February 20 letter primarily addresses our audit report on use of private and alias email accounts by EPA officials.

All of the projects you have asked about originated from information or requests we received from others. That is, they were not initially generated by the Office of Inspector General (OIG) as part of a work plan. In the case of the advisory committees and the email usage, the inquiries came from you and other congressional colleagues. The Beale matter initially was brought to us by agency officials. When we receive such information, whether from a hotline complaint, an employee "tip" or a congressional inquiry, we have to evaluate whether there is some aspect of the issue(s) brought to our attention that we must or could usefully review. If the answer is yes, we have to establish a scope for the project, conduct the field work and report the results, all in accordance with applicable standards. Audit and program evaluation work completed by the EPA OIG is done in accordance with Generally Accepted Government Audit Standards, generally referred to as "Yellow Book" standards. For investigative matters, we must follow the Attorney General's Guidelines for OIGs with Statutory Law Enforcement Authority. The methodology cannot be dictated by the requestor, whether a concerned citizen or a member of Congress.

This letter will respond to your questions regarding the John Beale matter in your February 18 letter. In addressing your specific questions, it is important to distinguish between the two primary types of work the EPA OIG undertook in that regard. The initial work, begun on February 11, 2013, as soon as we first learned of Beale matters from the agency, was an investigation by the OIG's Office of Investigations (OI) into possible criminal matters. Early in that investigation, as we were uncovering Mr. Beale's actions, we concluded that later follow-on work would be needed in order to examine control weaknesses or gaps that could have allowed

those actions to have occurred. The follow-on would take the form of audit work by the OIG's Office of Audit (OA), which reviews such internal control issues as an administrative matter.

OI's investigation, as led by the U.S. Department of Justice (DOJ), resulted in one count of theft of government property in August 2013 and the sentencing of Mr. Beale in December 2013. In April 2013, the Assistant Inspector General for Investigations, Patrick Sullivan, referred to OA what appeared to be several internal control issues at the EPA that allowed Mr. Beale to perpetrate the fraud. Using as a starting point the many documents obtained and compiled during OI's criminal investigation, OA began several audits focusing on matters apart from and in addition to those that OI previously had addressed as part of its criminal investigation of Mr. Beale. To date, OA has issued two reports related to Mr. Beale's retention pay and travel. There are several other ongoing, related OA audits of the EPA's internal controls.

The following are the OIG's responses to your questions:

1. **Your office repeatedly stated on the record that Gina McCarthy was the first senior official to express concerns with Beale, and her leadership is what made the investigation and conviction possible.**
 - a. **Please provide all evidence that substantiates your claim that McCarthy reported concerns about Beale to the Office of General Counsel (OGC) on or around November 1, 2013. Your response should include any record memorializing this action and should include a description of the concerns that were expressed, as well as guidance provided on actions to be taken.**

Response: Through several interviews conducted by OI, it was determined that Ms. McCarthy reported her concerns about Mr. Beale to OGC on or around November 1, 2012. The OIG first was notified about the concerns surrounding Mr. Beale during a meeting among Ms. McCarthy, OGC and the OIG on February 11, 2013. The following documents are provided as evidence to support this claim.

Case Initiation and Hotline Complaint dated February 11, 2013

Beale Case
Initiation.doc

Memorandum of Interview- Gina McCarthy dated February 27, 2013

MOI McCarthy
2-27-13.doc

Memorandum of Interview- (b) (6) dated March 28, 2013

MOI (b) (6)
3-28-13.doc

Memorandum of Interview- (b) (6) dated March 11, 2013

MOI (b) (6)
3-29-13.doc

- b. Why did you view the issue of Beale's CIA status to be a human resources issue? What information did you rely on in your initial opinion that it was an HR issue? What research was conducted before you provided Craig Hooks with such guidance?

Response: The OIG has never viewed the issue of Mr. Beale's CIA status to be a human resource issue. The OIG first learned of the Beale issue during the February 11, 2013, meeting. Following this meeting, OI immediately opened an investigation into the allegations expressed by Ms. McCarthy. As the investigation and subsequent audit have uncovered, there were several discussions among the Office of Administration and Resources Management (OARM), the Office of Air and Radiation (OAR) and OGC regarding Mr. Beale's alleged CIA status and its potential as a mere human resource issue. However, the OIG was not part of these discussions in any formal or informal capacity. While Mr. Hooks states otherwise, the Inspector General (IG) was not familiar with Mr. Beale's name until OGC finally provided the OIG with the information that led to OI's investigation. In addition to the IG's recollection, the OIG has found no evidence of any discussion between Mr. Hooks and the IG regarding the Beale case, either in its investigation or its audit, in document review or interviews. The IG gave no guidance to Mr. Hooks regarding the Beale matter.

- c. On December 16, 2013, my staff specifically identified and requested a memorandum dated January 12, 2011, addressed to Gina McCarthy. In response, your staff responded to my staff, "that there is not a memorandum of that date to Gina McCarthy." However, as you know, I subsequently obtained this very document that allegedly did not exist. Why did your staff provide my office with incorrect information?

Response: In responding to the oral request from your staff, the OIG OA staff person thought that the reference was to a different email of the same date between two other agency employees, an email that we had just provided to Ms. Bolen of your staff. With that incorrect understanding of which document was in question, the congressional affairs staffer responded that we did not possess the document. However, it was the OIG, not some other source, that had, in fact,

provided to you the document that your staff intended to ask us about, and the OIG had not concealed it in any way.

- d. A February 1, 2011, email stated "Gina is reluctant to finalize [cancellation of Beale's bonuses] unless OARM Craig gives her the okay that the White House is aware and there will not be any political fallout." Please identify the steps the OIG took to determine whether or not the White House influenced in any way the Agency's response to Beale. Your response should include whether the OIG sought to interview any White House officials. If so, please identify and provide documentation of those interviewed. If not, please explain why the OIG did not investigate White House involvement.

Response: The OIG did not contact any staff at the White House regarding the Beale investigation. The investigation was attempting to determine whether the facts of the Beale case would substantiate all of the elements of any criminal violation. The case agent concluded that the reference cited above would neither prove nor disprove any criminal violation.

2. In the Early Warning Action Reports on Beale's pay and travel issues, the OIG explained that one staff attorney in the OGC refused to be interviewed, as required under Section 6(a) of the Inspector General Act. Please explain in detail the information this individual may have and what gaps exist as a result of her noncompliance. Please describe if any corrective action has been recommended or taken against this individual.

Response: (b) (6) an OGC staff attorney, was interviewed during OI's criminal investigation (see attachment). Separately, and following the Beale criminal prosecution, OA conducted a related audit on pay issues. On November 21, 2013, (b) (6) refused to be interviewed by the auditors. A potential gap in information exists due to (b) (6) noncompliance. In (b) (6) interview with OI, (b) (6) indicated that (b) (6) became aware of Mr. Beale's pay issues and alleged CIA employment in late 2012. OA later developed information through other interviews which indicates that (b) (6) may have been aware of Mr. Beale's pay issues several months or even a year prior to what (b) (6) told OI during (b) (6) interview. Interviewing (b) (6) as part of this audit would have enabled us to confirm the length of time that OGC knew about the pay issues and likely would have provided more information about reason(s) OGC did not act on the pay issues, and why it delayed in reporting the matter to the OIG.

Memorandum of Interview-(b) (6) dated March 28, 2013

MOI (b) (6)
3-28-13.doc

- a. Have other EPA officials refused to cooperate with any aspects of the Beale investigation? If so, identify and provide documentation of individuals refusing to cooperate, and describe the specific corrective actions your office has taken to ensure a complete and thorough investigation.

Response: With the exceptions of the individuals noted in the response to 2b below, no other EPA officials have refused to cooperate with the Beale investigation.

- b. Are you aware of any EPA officials intimidating or otherwise taking actions to prevent the OIG from conducting investigations?

Response: Yes. Over the past 12 months, there have been several EPA officials who have taken action to prevent OI from conducting investigations or have attempted to obstruct investigations through intimidation. These individuals are listed below:

- (b) (6) - During the course of an OI administrative investigation, (b) (6) approached an OI special agent in a threatening manner, preventing the special agent from conducting her official duties in an ongoing investigation involving (b) (6) and other members of (b) (6). Additionally, (b) (6) issued non-disclosure agreements to EPA employees that prevented these employees from cooperating with OIG investigations. The Federal Protective Service conducted a criminal investigation and referred its finding of facts to support an assault charge to the U.S. Attorney's Office for the District of Columbia (USAO). The USAO declined prosecution and referred the matter back to the EPA OIG for administrative action as necessary.
- (b) (6) - During the above altercation with (b) (6) and the special agent, OIG employees heard (b) (6) telling (b) (6) and others that they did not need to talk with the OI special agents.
- (b) (6) - During numerous attempts by OI special agents to interview (b) (6) did not cooperate and failed to provide information requested in the course of an investigation. (b) (6) refused to provide information about (b) (6) duties and responsibilities at the EPA. (b) (6) also left an interview early and did not return to continue the OI interview at a later date. Furthermore, (b) (6) issued non-disclosure agreements to EPA employees that prevented these employees from cooperating with OIG investigations.

As required by the Inspector General Act Section 6(b)(2), the IG informed the head of the agency about the refusal by these agency employees to provide requested assistance or information and requested assistance in ensuring compliance. Although agency senior officials said that they would look into those administrative matters, to date the non-compliance by the individuals identified above continues.

- c. **Has Administrator McCarthy ever instructed the OIG to take a particular course of action during an investigation? Have you withdrawn, or directed staff to withdraw, from any portion of an investigation, at the direction of Administrator McCarthy? If so, please identify what OIG investigation has been halted at the direction of Administrator McCarthy and under what authority.**

Response: Administrator McCarthy issued the following memorandum regarding the ongoing OIG investigation referenced in the memorandum.

Administrator McCarthy's Memorandum dated October 28, 2013.

letter to OIG and
OHS.pdf

In an attempt to follow up on an interview into an OI administrative investigation, a confrontation occurred as described above involving (b) (6). Because this was an administrative matter, Administrator McCarthy asked that the agency be given an opportunity to address the issue. Because the resolution of all administrative matters rests with the agency, not the OIG, I agreed to allow the agency time to address and resolve the non-cooperation conduct at issue with this case. It was understood between myself and Administrator McCarthy that this was a temporary effort to address the administrative non-cooperation issues, and that the OIG would continue the administrative investigation on this specific issue should the EPA not succeed in its internal resolution effort.

In an email dated February 18, 2014, Bryan Zumwalt, Republican Chief Counsel, Senate Committee on Environment and Public Works (EPW), asked the OIG to address several questions in addition to those provided in your letter. The following are Mr. Zumwalt's questions and the OIG's responses:

1. **Will your office provide a briefing disclosing the full details on the circumstances surrounding Dr. Oscar Hernandez's departure from EPA, including all actions taken prior to and following his departure that involved the reorganization of any of his staff?**

Response: Yes, the OIG is prepared to brief the EPW and other congressional committees on this case.

2. Did the OIG obtain a list of additional employees that have been suspected of time and attendance fraud? Did the OIG obtain a list of individuals who had approved timecards for staff that were not showing up for work or producing any work product?

Response: The OIG received information from Mark Townsend (see attached) who was under investigation for allowing an EPA employee, (b) (6) to stay at home for more than five years without doing the work (b) (6) claimed to have done for the EPA. As part of an ongoing dialogue with Mr. Townsend and his attorney, the OIG and the DOJ were provided with a document that contained the names of several EPA employees and managers who allegedly were involved in time-and-attendance fraud. The OIG vetted the provided information and determined that many of the employees listed already had retired from the EPA, which limits OIG jurisdiction and access to those employee records. Of those who were still employed with the EPA, the OIG did a preliminary review of time-and-attendance records to determine the veracity of Mr. Townsend's information. The OIG determined that, based on the information provided, there was no clear evidence through time-and-attendance records that a manager inputted, certified and approved time-and-attendance records for employees who allegedly were not coming to work or doing any work. Mr. Townsend was asked to provide more specific information to the DOJ and the OIG during a follow-on meeting, but Mr. Townsend never provided additional information, and the DOJ eventually declined prosecution of Mr. Townsend on December 17, 2013.

Memorandum of Interview- Mark Townsend dated July 3, 2012

FINAL Townsend
MOI 7-3-12.docx

Memorandum of Interview- Mark Townsend dated April 23, 2013

MOI Townsend
4-23-13.doc

Department of Justice Declination Memorandum- Mark Townsend dated
December 17, 2013

Townsend -
Declination.pdf

3. Is your office aware of any instances in which less than accurate performance reviews and promotion applications have been submitted or were otherwise allowed to slide? Has your office opened any investigations into such problematic reviews?

Response: Yes, the OIG is aware of cases that involve this type of employee misconduct. The OIG opened cases on these employees. The OIG is prepared to brief the EPW and other congressional committees on these cases, as appropriate, based on prosecutorial process and guidance from the DOJ.

4. Has your office been made aware of any concerns that the National Treasury Employees Union has been abusing the grievance process to prevent critical performance reviews, to ensure unearned promotions or otherwise to assist staff in avoiding work?

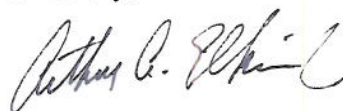
Response: The OIG searched its databases and identified no official allegations made to the OIG regarding the National Treasury Employees Union (NTEU) abusing the grievance process to prevent critical performance reviews, to ensure unearned promotions or otherwise to assist staff in avoiding work. However, Mark Townsend indicated that several grievances had been filed against him as a manager at the EPA. NTEU is one of the EPA employee unions that Mr. Townsend indicated was involved in at least one of the grievances against him.

5. Please provide your office's legal analysis as to what constitutes a False Writing.

Response: We assume that this question refers to the "Official certificates or writings" statute, 18 U.S.C. § 1018. The OIG's counsel's office did not analyze the application of this statute to the Beale prosecution because the prosecutor determines the criminal statute(s) under which to charge the defendant. 18 U.S.C. § 1018 makes it a misdemeanor to make or give a false certificate or writing. It provides: "Whoever, being a public officer or other person authorized by any law of the United States to make or give a certificate or other writing, knowingly makes and delivers as true such a certificate or writing, containing any statement which he knows to be false, in a case where the punishment thereof is not elsewhere expressly provided by law, shall be fined under this title or imprisoned not more than one year, or both."

I appreciate your interest in the work of the OIG. If you should have any questions about this or any other matter, please contact Alan S. Larsen, Counsel to the Inspector General, at (202) 566-2391.

Sincerely,



Arthur A. Elkins Jr.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

CASE #: OI-HQ-2013-ADM-0042

CROSS REFERENCE #: HOTLINE
COMPLAINT 2013-103

TITLE: EPA OAR-SENIOR POLICY ADVISOR- JOHN C. BEALE

CASE AGENT (if different from prepared by):

CASE INITIATION

Subject(s)	Location	Other Data
JOHN C. BEALE	WASHINGTON, DC	

NARRATIVE:

On February 11, 2013, the Environmental Protection Agency (EPA), Office of Inspector General (OIG) Hotline, received information regarding EPA employee John C. Beale (Beale), Senior Policy Advisor, Office of Air and Radiation (OAR), Ariel Rios North, Room 5426B, 202-564-1176. The allegations were reported to EPA Hotline by Gina McCarthy, EPA, Assistant Administrator, OAR and (b) (6), (b) (7)(C) EPA, Attorney, Office of General Counsel. Beale is alleged to be involved in employee misconduct, specifically time and attendance fraud and travel voucher fraud (attachment 1).

Attachment:

1. OIG Hotline Complaint 2013-103, received on February 11, 2013

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Page 1

Attachment:

1. OIG Hotline Complaint 2013-103, received on February 11, 2013



Hotmail Complaint
2013-103.pdf

RESTRICTED INFORMATION

Page 2

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

February 12, 2013

MEMORANDUM

SUBJECT: Office of Inspector General Hotline Complaint 2013-103

FROM:

(b) (6), (b) (7)(C)

Special Agent in Charge
Headquarters, Office of Inspector General

TO:

Patrick Sullivan
Assistant Inspector General
Office of Investigations

The Environmental Protection Agency (EPA), Office of Inspector General (OIG), Hotline received on February 11, 2013, information regarding an employee investigation. The employee investigation was reported to you during a meeting with Gina McCarthy, EPA, Assistant Administrator, Office of Air and Radiation and (b) (6), (b) (7)(C) EPA, Attorney, Office of General Counsel.

The investigation is for John Beale, EPA, Senior Policy Advisor, Office of Air and Radiation, Ariel Rios North, Room 5426B, (202) 564-1176. Allegedly, Mr. Beale may have committed travel fraud. In addition, there are allegations regarding time and attendance.

Please inform the Hotline within the next 5 calendar days that this referral was received and the course of action document within 30 calendar days to provide initial disposition of the complaint. If you have any further questions, please call Special Agent (b) (6), (b) (7) Hotline Program Manager, at 202 (b) (6), (b) (7)(C)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

MEMORANDUM OF INTERVIEW

Interview Date:	FEBRUARY 27, 2013
Case Name:	EPA OAR-SENIOR POLICY ADVISOR- JOHN C. BEALE
Case Number:	OI-HQ-2013-ADM-0042
Interviewee:	GINA MCCARTHY, AA, OAR
Interview Location:	ARIEL RIOS NORTH, ROOM (b) (6), (b) (7)(C)
Interviewed By:	SPECIAL AGENT (b) (6), (b) (7)(C)
Witnesses:	(b) (6), (b) (7)(C)

On February 27, 2013, at approximately 1:00 pm, Special Agent (SA) (b) (6), (b) (7)(C) and Deputy Assistant Inspector General (DAIG) (b) (6), (b) (7)(C) U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), Office of Investigations (OI), interviewed Gina McCarthy (McCarthy), Assistant Administrator, Office of Air and Radiation (OAR), regarding allegations of employee misconduct by John C. Beale (Beale), Senior Policy Advisor, OAR. McCarthy was interviewed in her office at Ariel Rios North, Room 5406.

After SA (b) (6), (b) (7)(C) and DAIG (b) (6), (b) (7)(C) identified themselves as OIG OI criminal investigators and presented their credentials, McCarthy provided the following information:

McCarthy was asked to describe Beale and when McCarthy first met him. McCarthy stated that Beale is a member of the senior leadership team in OAR, who has been with EPA for a long time. McCarthy explained she has heard that Beale was instrumental in the development and implementation of the Clean Air Act (CAA) in the early 1990s and continued to have a flexible work portfolio that included international work. McCarthy stated that Beale "walked on water at EPA" due to his work on the CAA and other policy issues in the early 1990s. McCarthy stated that within the first few weeks of being at EPA in 2009, McCarthy was told that Beale worked concurrently for the CIA. McCarthy could not recall the person who told her, but McCarthy remembered that it was stated that he worked for the CIA.

McCarthy stated that (b) (6), (b) (7)(C) who was a Deputy Assistant Administrator for OAR when McCarthy started at EPA, has worked with Beale for many years in OAR. McCarthy explained that (b) (6), (b) (7)(C) should have additional information about Beale's work with the CIA.

McCarthy was asked if Beale ever had conversations with her or indicated via email that he worked with the CIA or another federal agency. McCarthy stated that although she does not recall Beale specifically mentioning the CIA to her, Beale would often reference to "Langley" and attribute reasons for absences at EPA to travel he had to do for "Langley." McCarthy stated that one time Beale mentioned the main focus of his work for "Langley" was on Pakistan. According to McCarthy, Beale stated that he had a relationship with a high governmental official in Pakistan, who Beale met while in college. McCarthy stated that it is a well known secret in OAR that Beale works for the CIA.

McCarthy explained that when she became the Assistant Administrator for OAR, Beale was seldom seen at EPA. Because of this, McCarthy stated that, although he was part of the Senior Leadership team in OAR, she stopped inviting Beale to OAR staff meetings.

McCarthy stated that in approximately 2010 Beale and McCarthy had a conversation where Beale indicated that he wanted to end his work with the other agency and write a book for EPA. McCarthy stated that she could not recall if Beale used the term CIA, but it was clear in the conversation that is what he meant.

McCarthy was asked if she ever approved his work with the CIA or reviewed historical paperwork approving his work with the CIA. McCarthy stated that she never approved his work with the CIA and when she inquired about historical paperwork authorizing his work at the CIA no one could find evidence that paperwork existed. McCarthy explained that approximately six (6) weeks after starting with EPA, she had a meeting with Craig Hooks (Hooks), Assistant Administrator, Office of Human Resource Management, regarding Beale and his work for the CIA. McCarthy recalled Hooks stating that there was no paperwork authorizing Beale's work with the CIA, but he wanted to check with Bob Perciasepe (Perciasepe), Deputy Administrator for EPA. McCarthy stated that after receiving no resolution through Hooks regarding Beale, McCarthy scheduled a meeting with Perciasepe regarding this issue. McCarthy explained that the meeting with Perciasepe did not last long. McCarthy stated that although Perciasepe did not appear to have personal knowledge about Beale's work with the CIA, Perciasepe knew of Beale and his background. McCarthy stated that in 2010, when she was unable to find paperwork to support Beale's work with the CIA, McCarthy put Beale in charge of the international portfolio for OAR, which required Beale to spend more time at EPA. McCarthy indicated that during this time she was very impressed with Beale's intelligence and leadership ability. However, McCarthy stated that because Beale's move to the international portfolio was only temporary, until the vacant Deputy Assistant Administrator (DAA) for OAR was filled, after approximately eight (8) weeks and a selection of a new DAA for OAR, Beale began to seldom show up at EPA again. McCarthy explained that Beale would periodically write emails to McCarthy telling her he would be working at "Langley" or traveling because of his work at "Langley."

McCarthy explained that in the summer of 2011, Beale had a joint retirement party with Robert Brenner (Brenner) and (b) (6), (b) (7)(C). McCarthy described the party as "big deal" where the three (3) rented a dinner cruise boat on the Potomac. McCarthy stated that she was invited to and attended this party. McCarthy stated that it was her understanding that Beale had retired following this party. McCarthy explained that approximately ten (10) months later (b) (6), (b) (7)(C), the person in charge of human resource management for OAR, emailed McCarthy questioning why

Beale's time sheets were still being approved. McCarthy stated that a subsequent inquiry by (b) (6), regarding this issue revealed that Beale had not retired from EPA. McCarthy explained that during the time since the retirement party she had not seen Beale at EPA. McCarthy stated that she emailed Beale about his pending retirement and Beale indicated that he was asked to stay on a little while longer by the "current administration," but planned to retire after his work was no longer needed.

McCarthy was asked about Beale's retention incentive. McCarthy explained that she was aware that Beale received a retention incentive of twenty-five (25) percent of his salary, in the past. However, McCarthy stated that it was not until late 2012 or early 2013 that she became aware of the fact that Beale was still receiving the retention incentive and that there was no paperwork supporting the retention incentive. McCarthy stated that she has never authorized or approved a retention incentive for Beale. McCarthy stated that in January 2013, after she verified through Hooks that a retention incentive was not authorized, McCarthy notified Beale that the retention incentive would be stopped and subsequently stopped the retention incentive. When asked if Beale ever responded to the notification that the retention incentive was going to be stopped, McCarthy stated "No," Beale never responded or brought this issue up to McCarthy. McCarthy stated that after finding out about the continued payment of the retention incentive to Beale, McCarthy sought legal counsel from (b) (6), (b) (7)(C) Office of General Counsel. McCarthy stated that she gave full access to her emails to (b) (6), (b) (7)(C).

Agent's Note: Beale's official personnel file contained two (2) authorizations for retention incentives for three (3) years each in 1991 and 2000 (attachment 1). Brenner was he requesting official on both authorizations. (b) (6), (b) (7)(C) and Perciasepe were the approving officials on the retention incentive for Beale in 1991 and 2000 respectively.

McCarthy stated that it was her understanding that (b) (6), had contacted (b) (6), (b) (7)(C) (b) (6), (b) (7)(C), Office of the Administrator, EPA, to help determine Beale's connection with the CIA. McCarthy stated that she was told either by (b) (6), or (b) (6), (b) that there was no record of Beale ever having a security clearance at EPA. McCarthy stated that it was her understanding that (b) (6), (b) had a meeting with Beale to discuss his work with the CIA. McCarthy explained that she was unclear of the exact outcome of (b) (6), (b) (7)(C) meeting with Beale, but she believed that no immediate evidence was provided to (b) (6), (b) to substantiate Beale's work with the CIA. McCarthy stated that it was at this point that the Inspector General was contacted concerning this issue.

McCarthy was asked about Beale's premium class travel authorization. McCarthy stated that she was aware Beale was authorized premium class travel due to medical issues. McCarthy stated that she heard Beale has malaria from his time in Vietnam and possible back issues that allow him to have this waiver for premium class travel; however, McCarthy has never seen medical documentations to support these medical claims.

When asked about Beale's wife, McCarthy stated that she believes she met her once at a conference. McCarthy stated that she was invited and subsequently spoke at a conference, sponsored by the company in which Beale's wife worked. McCarthy stated, although she believes Beale coordinated this speaking engagement, McCarthy was happy to speak at the

conference. McCarthy explained that she did not think there was any conflict of interest with Beale and the company in which Beale's wife worked.

McCarthy was asked who else she would recommend the OIG speak with regarding the issues with Beale. McCarthy stated that (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) Office of Atmospheric Programs, OAR and (b) (6), (b) (7)(C) retired EPA employee, should be able provide information about Beale and the concerns surrounding Beale's employment.

The interview ended at approximately 2:00pm.

Attachment:

1. John C. Beale's retention incentive authorization in 1991 and 2000.

Attachment:

1. John C. Beale's retention incentive authorization in 1991 and 2000.



Beale Retention
Incentive 1991 and 2



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 22 2000

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Retention Allowance

FROM: Robert Perciasepe, Assistant Administrator
Office of Air and Radiation

Bob Perciasepe

TO: Romulo Diaz, Assistant Administrator
Office of Administration and Resources Management

Attached is the documentation necessary to formally request John C. Beale receive a retention allowance.

As Senior Policy Advisor to the Assistant Administrator for Air and Radiation, Mr. Beale is responsible for EPA's Clean Air programs and international issues. He is responsible for assisting the Assistant Administrator in planning, policy implementation, direction and control of EPA's programs in these areas. These programs are both national and international in scope, involve numerous variables, and have a significant bearing on the pollution control programs of the Agency. Mr. Beale coordinates the overall strategy for the Clean Air Act amendments analyses and develops strategic planning initiatives for Clean Air issues. He is also responsible for planning, developing, organizing, and assisting in the implementation of EPA's air pollution control programs. It is essential that the Agency retain senior expertise with detailed knowledge of the statute and effective working relationships with key members of Congress in order for EPA to meet its requirements. Additionally, Mr. Beale has continuing involvement in international negotiations with other countries on this highly important issues. He has been and continues to be quite effective in representing this country's position in those negotiations.

As in the past, Mr. Beale continues to receive offers of employment outside the federal government. Because of his intense involvement in a program of this magnitude, and because of his reputation as an excellent leader and able negotiator, he would be a major asset to any private



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firm. He is presently being courted by a major law firm in this area at a starting salary of \$250,000 (including stock options) and also by an international consulting firm headquartered in London, England. Their salary offer is for \$175,000 plus an attractive benefits package. EPA cannot match either of these offers. However, Mr. Beale has agreed to remain within EPA if we are able to obtain the 25% pay increase allowed under the retention allowance program.

If you have any questions concerning this request, please contact (b) (6), (b) (7)(C) of my staff on (b) (6), (b) (7)

Attachments

EPA Retention Allowance Request Form

Recommending Official: Please complete the top of this page and pages 2-6.

Employee John C. Beale

SSN

(b) (6), (b) (7)(C)

Proposed Effective Date

Percentage of Salary Proposed

25% %

Annual Addition to Base Salary

\$28,705.50

Duration of Proposed Allowance

1 year 2 years 3 years X

Total Continuing Compensation

\$ 143,517.50

(Base salary, proposed allowances, and all other continuing pay, except for hazardous duty pay. May not exceed Executive Level 1.)

REVIEW, CERTIFICATION, AND APPROVAL

a. Requesting Official's Signature Robert Brenner

Date 6/19/00

Title Deputy Assistant Administrator, Office of Air and Radiation

b. Reviewing Official's Signature Robert Perciasepe

Date 6-20-00

Title Assistant Administrator, Office of Air and Radiation

c. Reviewing Official's Signature

Date

Title

d. Human Resource Officer's Certification -- The information entered on this form is accurate and the proposed allowance complies with statutory and regulatory requirements.

Human Resources Officer

Date

e. Funds Certifying Official's Certification -- I certify that funds are available

Account Number to charge 00 01 B 27A 10101A

DA Number 8081

Signature

(b) (6), (b) (7)(C)

Date

6-21-00

f. Approving Official's Title

Approve

Disapprove

Approve with the following modification(s):

%

years

Signature

Date

Worksheet

Recommending Official: Please complete the items on the following pages, then return to page one for review and approval.

1 Current Employment

(Select one only.)

Is the employee currently employed by EPA?

Yes ☒ No ☐

If "No," an allowance is not appropriate.

2 Type of Position

(Select one only.)

(Write Answer Here.)

- a. GS/GM
- b. SES
- c. Senior-level or Scientific/Professional ("ST")
- d. Criminal Investigator
- e. Executive Schedule
- f. Presidential Appointment
- g. Other

SL

Other types of positions do not qualify for allowance.

3 Description of Position

(Complete items below.)

Pay Plan(GS / GM / ST / ES / SL / EX) SL Base Salary \$ 110,028

Title Senior Policy Advisor

Series SL-301 Grade 04 Step
(If applicable)

4 Organization

(Complete items below.)

AA or Region Air and Radiation Office Immediate Office

Division Branch

Duty Station Washington DC Org Code 61010005
(City) (State) (EPAYS)

5 Tenure

(Select one only.)

(Write answer here.)

a. Permanent (Career, Career-Conditional, Schedule A or C without time limitation, or other appointment without time limitation)

C

b. Temporary (Not to exceed a specific date within one year)

c. Term (Not to exceed a specific date between one and four years)

Appointments with time limitations do not qualify for allowance.

6**Service**

(Complete one only.)

How many years has the employee served with EPA?

Years 11

Less than one year _____

Less than one year's service does not qualify.Is the employee on a service agreement for a recruitment or relocation bonus? Yes _____ No X

If "Yes", will that service be completed by the proposed allowance's effective date? Yes _____ No _____

If "No," the allowance must be delayed until service agreement completed.

7**Official Tour of Duty**

(Complete items below)

Full-time X

Part-time _____

If part-time, how many hours are regularly scheduled per pay period? _____

Allowance must be computed as a percentage of the part-time salary.

8**Need for Allowance**

(Complete items a and or b below.)

a. Does the employee have unusually high or unique qualifications?

(Unusually high qualifications are markedly superior to those which could be expected of a well-qualified candidate for the position to be filled. Unique qualifications refers to a rare combination of education and or experience especially pertinent to the position.)

Yes X No _____

If "Yes," summarize them:

See Attachment

(Item 8 continues on Page 4.)

b. Is there a special need to retain the employee?

(A special need of EPA involves situations clearly beyond the normal day-to-day management and operation of the organization. This may be evidenced by staffing a new program, conducting a new or highly visible and important project, or an inability to recruit adequate numbers of candidates for the position or occupational group.)

Yes X No If "Yes," describe it:

See Attachment

If the answer to both 8a and 8b above is "No," an allowance is not appropriate.

9 Likelihood of Leaving

(Select one only, and attach evidence, if likely to leave.)

Is the employee likely to leave EPA for employment outside the executive, legislative, or judicial branches of the Federal Government, if not awarded a retention allowance?

Yes X

No

If "No," an allowance is not appropriate.

If "Yes," written evidence should be attached. This may be a written offer of employment.

It may be a statement that the employee is likely to leave, prepared by an official higher than the employee's immediate supervisor. It should describe evidence, such as personal knowledge that the employee is actively seeking outside employment and that competitive labor market conditions make it likely that such efforts will yield positive results for the employee.

Item #8a, Need for Allowance

Mr. Beale's formal qualifications, pre-EPA experience, and EPA experience are outstanding, both in their quality and in their unusually direct relevance to the mission of the Office of Air and Radiation. His advanced degrees in law and public policy, plus his experience working for and advising state and local governments, energy industries, and Congress, made him uniquely qualified to head the Clean Air Act Work Group, where he directed and coordinated all Agency staff work for the 1990 Amendments to the Clean Air Act, including negotiations with Congress and Cabinet agencies and the actual writing of the President's legislative proposal. Continuing in that position, Mr. Beale directed and coordinated staff work for the implementation of that Act, and has been instrumental in the development of hundreds of major rules implementing the Act to date. His experience with energy industries and state and local governments made him especially qualified to direct the development of rules under the Act, which strongly affect such industries and governments, requiring intensive negotiation and coordination. Mr. Beale is now in a Senior Leader position, where his influence and authority over these matters is further enhanced, and where his special expertise is even more valuable and irreplaceable. Moreover, all Agency air-quality-control activity is now in a critical period on two fronts: (1) both the Congress and the courts (including the Supreme Court) are now taking new interest in the Agency's work in this area, with Congress actively contemplating new legislative action on what would be the first new amendment to the Clean Air Act since the 1990 Amendments in which Mr. Beale played such a key role; (2) There is also the potential for Congressional action on global climate change, both in terms of challenging current Agency actions and in terms of possible new legislation. In both issue areas -- Clean Air Act and global climate change -- Mr. Beale's unparalleled knowledge and experience with prior clean-air legislation will be invaluable as he directs Agency activities in both areas as Senior Leader. Mr. Beale's leadership and intense involvement in the 1990 Amendments have made him essential to EPA's work implementing the existing Act and working with the Congress to pass any new legislation in these two areas. Because of his involvement in early negotiations for the 1990 Amendments, he has an invaluable grasp of the "intent" of this law and its full implications for both environmental quality and impact on industry. The powerful combination of his policy and law background make him an able negotiator and give him a keen insight into ramifications surrounding various decisions to be addressed. It is important that we retain Mr. Beale's senior expertise with the Clean Air Act, and that we continue to be able to rely on his effective working relationships with key participants in both the Congress and the Executive Branch.

Item #8b. Is there a special need to retain the employee?

On November 15, 1990, the President signed the Clean Air Act Amendments of 1990. As we moved into the implementation of this ambitious Act, Mr. Beale's leadership and intense involvement in the re-authorization phase has made him essential to EPA's implementation efforts. Because of his involvement in early negotiations; he has an invaluable grasp of the "intent" of this law and its full implications to environmental quality. The powerful combination of his policy and law background make him an able negotiator and give him a keen insight into ramifications surrounding various decisions to be addressed during the implementation phase. Mr. Beale is a well-respected member of the EPA community and his position of leadership as the Chairman of the Clean Air Act Workgroup has allowed him to assure issues arising during implementation are addressed quickly with an eye to its potential impact on the total Clean Air Act implementation process.

Item #10a. Factors to Consider in Approving or Disapproving the Allowance; How and to what extent would the employee's departure affect the organization's ability to carry out a function essential to EPA's mission?

Mr. Beale's institutional knowledge of the development and passage of the 1990 Clean Air Act Amendments is crucial to both the continued successful implementation of the Clean Air Act and to EPA's ability to effectively negotiate with the Congress on any new clean-air legislation, including extending the Agency's authority to the area of climate change. It is of the greatest importance, both to the environment and to regulated industries, that EPA be able to implement the Clean Air Act in ways that will withstand Congressional and judicial challenges, and also that EPA be ready to work effectively with the Congress to craft new clean-air legislation, including potential climate-change legislation. These activities are among the most far-reaching and significant of anything the Agency will do in the next few years, and they depend critically on Mr. Beale's knowledge and skills gained as one of the principal architects of the 1990 Clean Air Act Amendments.

10

Factors to Consider in Approving or Disapproving the Allowance (Complete the items below.)

a. How and to what extent would the employee's departure affect the organization's ability to carry out a function essential to EPA's mission?

See Attachment

b. How successful have recent efforts to recruit and retain candidates and employees with similar qualifications been?

The Office of Air and Radiation has been involved in very intense recruitment efforts to bring on board the staff necessary to develop and implement new programs and rulemaking actions. It is not possible to recruit for the knowledge, skill and abilities Mr. Beale has obtained through being directly involved in the Clean Air Act reauthorization from the beginning.

c. Are there other persons available in EPA or in the labor market who could readily replace the employee and handle the full range of responsibilities with minimal training or disruption?

Yes ☐ No ☒

d. How long will the allowance probably continue? 3 years
(years)

e. What special payments has the employee received, such as previous recruitment or relocation bonuses, salary based on superior qualifications, performance awards, etc.?

Mr. Beale has not received previous recruitment or relocation bonuses. When recruited he received an advance in hire salary equivalent to a step 10. Therefore, the only pay increase for which he is eligible is the cost of living increase received annually by all federal employees. Because he is at the top of his salary range, he is not eligible for the normal step increases. As can be expected from someone of his responsibilities, he has received Special Act Awards when appropriate.

11

Factors to Consider in Setting the Amount of a Retention Allowance (Provide the following information, if available.)

a. Average private sector compensation in the area for persons with the employee's qualifications

Source (published surveys, unpublished survey, or other evidence):

Salary = \$ _____

Describe other compensation:
(Stock options, insurance, car, etc.)

Approximate annual value =

\$ _____

b. Cost-of-living in the area compared to the national average, expressed as an index with 100 = the average.
(For example, in an area in which the cost-of-living is 10% above average, the index is 110.)

Index =

c. Other comparable criteria which serve to justify the amount of the allowance.

(If more space is needed, attach additional pages.)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

NOV 6 1991

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Retention Allowance

FROM: William G. Rosenberg, Assistant Administrator
for Air and Radiation *WR*

TO: Christian Holmes, Acting Assistant Administrator
for Administration and Resources Management

Attached is the documentation necessary to formally request John C. Beale receive a retention allowance. This material has been prepared in compliance with the interim guidance provided by (b) (6), (b) (7)(C) on July 2, 1991.

As Chairman of the Clean Air Act Work Group, Mr. Beale had the primary responsibility for directing and coordinating Agency staff work on matters relating to the reauthorization of the Clean Air Act. As we move into the implementation of this ambitious Act, Mr. Beale's leadership and intense involvement in the reauthorization phase has made him essential to EPA's implementation efforts. Congress has set forth an extremely ambitious program of rulemaking. If EPA is to meet these requirements, it is essential the Agency retain senior expertise with detailed knowledge of the statute and effective working relationships with key participants in the rulemakings.

As can be expected, Mr. Beale receives offers of employment outside the federal government almost weekly. Because of his intense involvement in a program of this magnitude, and because of his reputation as an excellent leader and able negotiator, he would be a major asset to any private firm. His most recent offer is from a major consulting firm in Minneapolis, Minnesota. This firm has offered Mr. Beale a full partnership with stock options, at double his present salary. While EPA cannot match this offer, Mr. Beale has agreed to remain with EPA if we are able to obtain the 25% pay increase allowed under the retention allowance program.

If you have any questions concerning this request, please feel free to contact me directly.

Attachment

Reviews and Approvals

Summary

(Recommending Official should complete this section.)

Employee JOHN C. BEALE SSN (b) (6), (b) (7)(C)

Proposed Effective Date 11 / 17 / 91

Percentage of Salary Proposed 25 %

Annual Addition to Base Salary \$ 20,034.50

Duration of Proposed Allowance 1 year ☐ 2 years ☐ 3 years ☒ x

Total Continuing Compensation \$ 100,172.50

(Base salary, proposed allowance, and all other continuing pay, except for hazardous duty pay. May not exceed EX-1.)

REVIEWS, CERTIFICATIONS, AND APPROVALS

- a. Requesting Official's Signature Robert D. Brenner Date 10/30/91
Title Director, Office of Policy Analysis and Review
- b. Reviewing Official's Signature (b) (6), (b) (7)(C) Date 11/5/91
Title Deputy Assistant Administrator/OAR
- c. Reviewing Official's Signature [Signature] Date 11/6/91
Title Assistant Administrator OAR
- d. Human Resource Officer's Certification -- The information entered on this form is accurate and that the proposed allowance complies with statutory and regulatory requirements.
Human Resources Officer (b) (6), (b) (7)(C) Date 11-29-91
- e. Financial Management Officer's Certification-- I certify that funds are available.
Signature (b) (6), (b) (7)(C) Date 11-26-91
- f. Approving Official's Title _____ Approve ☐ Disapprove ☐
Approve with the following modification(s): _____ % _____ years
Signature (b) (6), (b) (7)(C) Date 12/1/91

Worksheet

(Complete the items on the following pages, then return to page two for review and approval.)

1

Current Employment

(Complete one only.)

Is the employee currently employed by EPA?

Yes x

No

If not, an allowance is not appropriate.

2

Type of Position

(Select one only.)

(Write Answer Here.)

- a. GS/GM
- b. SES
- c. Senior-level or Scientific/Professional ("ST")
- d. Criminal Investigator
- e. Executive Schedule
- f. Presidential Appointment
- g. Other

GM

Other types of positions do not qualify for allowance.

3

Description of Position

(Complete items below.)

Pay Plan GM
(GS/GM/ST/ES/SL/EX)

Base Salary \$80,138

Title CHAIRMAN CLEAN AIR ACT WORKGROUP (POLICY ANALYST)

Series 0301

Grade 15

Step 00

4**Organization**

(Complete items below.)

AA or Region AIR & RADIATION Office POLICY ANALYSIS AND REVIEW

Division _____ Branch _____

Duty Station WASHINGTON DC Org Code _____
(City) (State) (EPAYS)**5****Tenure**

(Select one only.)

(Write answer here.)

a. Permanent (Career, Career-Conditional, Schedule A or C without time limitation, or other appointment without time limitation)

CC

b. Temporary (Not to exceed a specific date within one year) →

c. Term (Not to exceed a specific date between one and four years) →

Appointments with time limitations do not qualify for allowance.

6**Service**

(Complete one only.)

How many years has the employee served with EPA?

Years 2.5 Less than one year _____ →

Less than one year's service does not qualify.

Is the employee on a service agreement for a recruitment or relocation bonus? Yes _____ No x

If "Yes", will that service be completed by the proposed allowance's effective date? Yes _____ No _____ →

If "No," the allowance must be delayed until service agreement completed.

7**Official Tour of Duty**

(Complete items below)

Full-time x Part-time (If part-time, how many hours are regularly
scheduled per pay period? →**Allowance must be
computed as a per-
centage of the part-
time salary.****8****Need for Allowance**

(Complete items a and or b below.)

a. Does the employee have unusually high or unique qualifications?

(Unusually high qualifications are markedly superior to those which could be expected of a well-qualified candidate for the position to be filled. Unique qualifications refers to a rare combination of education and or experience especially pertinent to the position.)

Yes x No

If "Yes," summarize them:

Mr. Beale has advanced degrees in both public policy and law. This unique combination plus his previous experience working for and advising state & local governments, energy industries, & Congress make him uniquely qualified for the position of Chairman of the Clean Air Act Work Group. In this capacity, he had primary responsibility for directing and coordinating Agency staff work in matters relating to the reauthorization of the CAA. Mr. Beale also undertook the organization and direction of the Agency's efforts to draft legislative language. As a result of his leadership & efforts to keep the drafting process coordinated with the policy development process, EPA was able to deliver a draft bill to the White House for review within a few days of the President's announcement of his policy decisions. Several other agencies, including OMB and the Departments of Energy, Defense, Justice, Interior, State and Commerce, took very strong positions on many of the elements contained in the draft Bill. Mr. Beale was the lead Agency negotiator. In this role he managed and directed EPA's negotiations with all other agencies and the White House. Mr. Beale also represented EPA during intense negotiations with both the House and Senate. Mr. Beale's outstanding work as Chairman of the Clean Air Act Work Group has earned him many letters of commendation, as well as the Lee M. Thomas Excellence in Management honor award, a gold medal, and EPA Special Act awards.

(Item 8 continues on Page 8.)

b. Is there a special need to retain the employee?

(A special need of EPA involves situations clearly beyond the normal day-to-day management and operation of the organization. This may be evidenced by staffing a new program, conducting a new or highly visible and important project, or an inability to recruit adequate numbers of candidates for the position or occupational group.)

Yes x No If yes, describe it:

On November 11, 1990, the President signed the Clean Air Act Amendments of 1990. As we move into the implementation of this ambitious Act, Mr. Beale's leadership and intense involvement in the reauthorization phase has made him essential to EPA's implementation efforts. Because of his involvement in early negotiations, he has an invaluable grasp of the "intent" of this new law and its full implications to environmental quality. The powerful combination of his policy and law background make him an able negotiator and give him a keen insight into ramifications surrounding various decisions to be addressed during the implementation phase. Mr. Beale is a well-respected member of the EPA community and his position of leadership as the Chairman of the Clean Air Act Work Group has allowed him to assure issues arising during implementation are addressed quickly with an eye to its potential impact on the total Clean Air Act implementation process.

Congress has set forth an extremely ambitious program of rulemaking. Within two years of enactment of the new law, the Agency is tasked with proposing 55 rules. If EPA is to meet these requirements, it is essential the Agency retain senior expertise with detailed knowledge of the statute and effective working relationships with key participants in the rulemakings.

If the answer to both questions above is "No", an allowance is not appropriate.

9

Likelihood of Leaving


(Complete one only.)

Is the employee likely to leave EPA for employment outside the executive, legislative, or judicial branches of the Federal Government, if not awarded a retention allowance?

Yes x

No 

If not, an allowance
is not appropriate.


If "Yes," written evidence should be attached.
This may be a written offer of employment.

It may be a statement that the employee is likely to leave, prepared by an official higher than the employee's immediate supervisor. It should describe evidence, such as personal knowledge that the employee is actively seeking outside employment and that competitive labor market conditions make it likely that such efforts will yield positive results for the employee.

9. LIKELIHOOD OF LEAVING

As can be expected, Mr. Beale receives offers almost weekly. Because of his intense involvement in a program of this magnitude, and because of his reputation as an excellent leader and able negotiator, he would be a major asset to any private firm. His most recent offer, confirmed by his immediate supervisor, Mr. Robert Brenner, Director, Office of Policy Analysis and Review, is from a major consulting firm in Minneapolis, Minnesota. This firm has offered Mr. Beale a full partnership with stock options, at double his present salary. Mr. Beale is a native Minnesotan which makes this offer more attractive. He has also received offers from other consulting and law firms. Because Mr. Beale is at the top of his pay range, the equivalent of a grade 15 step 10, the federal government had little to offer him as an incentive to remain prior to the development of this retention allowance program.

10**Factors to Consider in Approving or Disapproving the Allowance**

(Complete any of the following for which information can be readily obtained.)

a. How and to what extent would the employee's departure affect the organization's ability to carry out a function essential to EPA's mission?

Mr. Beale's institutional knowledge of the Clean Air Act reauthorization efforts is crucial to the successful completion of the implementation phase. EPA has been given an extremely ambitious schedule of rulemaking and program development. Without Mr. Beale's leadership of this effort, many deadlines may be missed. His coordination of this effort has allowed other EPA managers to focus on the technical and implementation decisions inherent in development of new regulations of this magnitude.

b. How successful have recent efforts to recruit and retain candidates and employees with similar qualifications been?

The Office of Air and Radiation has been involved in very intense recruitment efforts to bring on board the staff necessary to develop and implement new programs and rulemaking actions. It is not possible to recruit for the knowledge, skills and abilities Mr. Beale has obtained through being directly involved in the Clean Air Act reauthorization from the beginning.

c. Are there other persons available in EPA or in the labor market who could readily replace the employee and handle the full range of duties and responsibilities with minimal training or disruption?

Yes _____ No x

d. How long will the allowance probably continue?

 3
(years)

e. What is the relationship of the proposed allowance to other payments, such as previous recruitment or relocation bonuses, salary based on superior qualifications, performance awards, etc.?

Mr. Beale has not received previous recruitment or relocation bonuses. When recruited he received an advance in hire salary equivalent to a step 10. Therefore, the only pay increase for which he is eligible is the cost of living increase received annually by all federal employees. Because he is at the top of his salary range, he is not eligible for the 2% raise normally given annually to members of the Merit Pay pool. As can be expected from someone of his responsibilities, he has received annual merit pay bonuses, as well as Special Act awards when appropriate.

11

Factors to Consider in Determining the Amount of a Retention Allowance

(Complete any of the following for which information can be readily obtained.)

a. Average private sector compensation in the area for persons with the employee's qualifications

Salary = \$ 150,000 - \$350,000 PA

Source (published surveys, unpublished survey, or other evidence):

unpublished survey prepared by

American Bar Association

Describe other compensation:
(Stock options, insurance, car, etc.)

Approximate annual value =

\$ _____

b. Cost-of-living in the area compared to the national average, expressed as an index with 100 = the average. (For example, in an area in which the cost-of-living is 10% above average, the index is 110.)

Index =

127 104.6
104.6

c. Other comparable criteria which serve to justify the amount of the allowance.

(If more space is needed, attach additional pages.)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

MEMORANDUM OF INTERVIEW

Interview Date:	MARCH 28, 2013
Case Name:	EPA OAR-SENIOR POLICY ADVISOR- JOHN C. BEALE
Case Number:	OI-HQ-2013-ADM-0042
Interviewee:	(b) (6), (b) (7)(C) ATTORNEY ADVISOR, OFFICE OF GENERAL COUNSEL
Interview Location:	EPA WEST, ROOM (b) (6), (b) (7)(C)
Interviewed By:	SPECIAL AGENT (b) (6), (b) (7)(C)
Witnesses:	SPECIAL AGENT IN CHARGE (b) (6), (b) (7)(C)

On March 28, 2013 at approximately 11am, Special Agent (SA) (b) (6), (b) (7)(C) and Special Agent in Charge (SAC) (b) (6), (b) (7)(C) U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), Office of Investigations (OI), interviewed (b) (6), (b) (7)(C) Attorney Advisor, Office of General Counsel (OGC), regarding allegations of employee misconduct by John C. Beale (Beale), Senior Policy Advisor, OAR. (b) (6), (b) (7)(C) was interviewed at OIG offices located EPA West, Room (b) (6), (b) (7)(C)

After SA (b) (6), (b) (7)(C) and SAC (b) (6), (b) (7)(C) identified themselves as OIG OI criminal investigators and presented their credentials, (b) (6), (b) (7)(C) provided the following information:

(b) (6), (b) (7)(C) stated that (b) (6), (b) (7)(C) has worked (b) (6), (b) (7)(C) as an Attorney Advisor specializing in (b) (6), (b) (7)(C)

SA (b) (6), (b) (7)(C) asked (b) (6), (b) (7)(C) to discuss (b) (6), (b) (7)(C) interaction with Beale. (b) (6), (b) (7)(C) stated that (b) (6), (b) (7)(C) first became aware of issues with Beale on approximately November 9, 2012 by (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) explained that (b) (6), (b) (7)(C) told (b) (6), (b) (7)(C) that (b) (6), (b) (7)(C) Office of Human Resources, Office of Administration and Resource Management (OARM), brought (b) (6), (b) (7)(C) concern about Beale to (b) (6), (b) (7)(C). Beale seemed to have mysterious aspects of his work circumstances that included working for the Central Intelligence Agency (CIA). (b) (6), (b) (7)(C) indicated that it appeared that a lot of people knew that Beale worked for the CIA. (b) (6), (b) (7)(C) stated that (b) (6), (b) (7)(C) indicated to (b) (6), (b) (7)(C) that (b) (6), (b) (7)(C) the former Chief Counsel for EPA, knew about Beale's situation for a while, but indicated that there was no documentation or authorizations in place.

(b) (6), (b) (7)(C) stated that after being told about the concerns surrounding Beale, (b) (6), (b) (7)(C) conducted research on "joint duty" assignments. (b) (6), (b) (7)(C) explained that (b) (6), (b) (7)(C) may have mentioned Beale's

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(b) (6), (b) (7)(C)
situation to (b) (6), (b) (7)(C) at this time, but could not recall for sure. However, (b) (6), (b) (7)(C) stated (b) (6), (b) (7)(C) definitely spoke to (b) (6), (b) (7)(C) about the Beale situation on November 13, 2012. According to (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) contacted someone at the CIA regarding Beale's alleged work there.

On November 14, 2012, (b) (6), (b) (7)(C) attempted to contact (b) (6), (b) (7)(C) Executive Resource Division (ERD), OARM, but (b) (6), (b) (7)(C) was out of the office so (b) (6), (b) (7)(C) spoke with (b) (6), (b) (7)(C) ERD, OARM, who knew Beale's situation without (b) (6), (b) (7)(C) revealing his name or specific information. On November 16, 2012, (b) (6), (b) (7)(C) spoke with (b) (6), (b) (7)(C) regarding Beale. According to (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) expressed (b) (6), (b) (7)(C) concern regarding Beale's situation since there was no evidence in Beale's employee personnel file that he was approved for an interagency detail.

(b) (6), (b) (7)(C) explained that (b) (6), (b) (7)(C) said that (b) (6), (b) (7)(C) office had been looking into the Beale's work issue, but was told to "leave it alone" and that Bob Perciasepe (Perciasepe), Deputy Administrator, EPA, was aware of Beale's situation. (b) (6), (b) (7)(C) indicated that (b) (6), (b) (7)(C) office had also been working an overpayment issue for Beale. According to (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) stated that (b) (6), (b) (7)(C) from (b) (6), (b) (7)(C) office had uncovered the pay overage for Beale.

(b) (6), (b) (7)(C) stated that at this point (b) (6), (b) (7)(C) OARM was informed about Beale's situation and (b) (6), (b) (7)(C) briefed Diane Thompson, Chief of Staff to the Administrator of EPA. (b) (6), (b) (7)(C) stated that during the briefing to Thompson, Perciasepe was brought into the meeting and he indicated that he was not aware of Beale's pay overage or work arrangement with the CIA.

(b) (6), (b) (7)(C) explained that in early December 2012, (b) (6), (b) (7)(C) began to think Beale was involved in employee misconduct. (b) (6), (b) (7)(C) stated that around December 10, 2012, (b) (6), (b) (7)(C) reported back to (b) (6), (b) (7)(C) that the CIA did not have any record of Beale working with or for the CIA.

(b) (6), (b) (7)(C) stated that on December 3, 2012, (b) (6), (b) (7)(C) contacted (b) (6), (b) (7)(C) OAR and "interviewed" (b) (6), (b) (7)(C) about Beale around the middle of December 2012. (b) (6), (b) (7)(C) explained that (b) (6), (b) (7)(C) was responsible for the time and attendance in OAR. According to (b) (6), (b) (7)(C) during (b) (6), (b) (7)(C) interview with (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) indicated that (b) (6), (b) (7)(C) did not directly hear that Beale worked with the CIA, but it was well known through "hearsay" that Beale worked there. (b) (6), (b) (7)(C) explained that (b) (6), (b) (7)(C) indicated that Beale's international travel costs were very high and that (b) (6), (b) (7)(C) had talked to (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) predecessor in (b) (6), (b) (7)(C) current position, about (b) (6), (b) (7)(C) concerns of the high travel costs for Beale.

(b) (6), (b) (7)(C) stated that on December 13, 2013, (b) (6), (b) (7)(C) met with Beale to talk about his work with the CIA. (b) (6), (b) (7)(C) explained that according to (b) (6), (b) (7)(C) Beale seemed surprised, was sweating profusely and was acting very odd during this meeting. (b) (6), (b) (7)(C) stated that following this meeting, it was determined through (b) (6), (b) (7)(C) conversations with (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) Security Management Division, OARM, that Beale never had a security clearance according to EPA security records.

(b) (6), (b) (7)(C) stated that (b) (6) had a meeting with Gina McCarthy (McCarthy), Assistant Administrator, OAR, on January 2, 2013 and January 8, 2013 to talk about Beale. According to (b) (6), (b) (7)(C) McCarthy stated that she came to OAR in June, 2009 and was told upon her arrival by her staff that Beale worked with the CIA. McCarthy conveyed to (b) (6), (b) (7)(C) that her staff provided that explanation as to why Beale was often not present in the office. (b) (6), (b) (7)(C) stated that at (b) (6) request, McCarthy provided her email communications with Beale to (b) (6), (b) (7)(C).

(b) (6), (b) (7)(C) stated that during (b) (6) meeting with McCarthy on January 8, 2013, (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) OAR, was also present. (b) (6), (b) (7)(C) stated during this meeting that in a conversation (b) (6) had with Beale, he indicated that he was going to delay his retirement due to a real estate deal that he was having problems with. (b) (6), (b) (7)(C) stated that at the conclusion of the meeting on January 8, 2013 McCarthy indicated that she was going to require Beale to return to the office where she would provide specific assignments for him through (b) (6), (b) (7)(C) and OAR was going to take steps to stop Beale's retention incentive bonus.

(b) (6), (b) (7)(C), (b) (5)

(b) (6), (b) (7)(C) stated that on January 28, 2013 (b) (6), (b) (7)(C) called Al Larsen, EPA OIG Chief Counsel, to discuss (b) (6) concerns with Beale. (b) (6), (b) (7)(C) explained that on February 11, 2013 (b) (6) participated in a meeting discussing Beale's situation with the EPA OIG.

The interview ended at approximately 12:30pm.

Attachment:

None



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

MEMORANDUM OF INTERVIEW

Interview Date:	MARCH 11, 2013
Case Name:	EPA OAR- (b) (6), (b) (7)(C)
Case Number:	OI-HQ-2013-ADM-0042
Interviewee:	(b) (6), (b) (7)(C) (b) (6), (b) (7)(C) OA
Interview Location:	1200 PENNSYLVANIA AVE, N.W., WASHINGTON D.C. 20460, ROOM (b) (6), (b) (7)(C)
Interviewed By:	SPECIAL AGENT (b) (6), (b) (7)(C)
Witnesses:	SPECIAL AGENT IN CHARGE (b) (6), (b) (7)(C) SPECIAL AGENT (b) (6), (b) (7)(C)

On March 11, 2013, at approximately 1:00 pm, Special Agent (SA) (b) (6), (b) (7)(C) and Special Agent in Charge (SAC) (b) (6), (b) (7)(C) U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), Office of Investigations (OI), interviewed (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) Office of the Administrator, regarding allegations of employee misconduct by John C. Beale (Beale), Senior Policy Advisor, OAR (b) (6), (b) (7) was interviewed at Ariel Rios North, Room (b) (6), (b) (7)(C)

After SA (b) (6), (b) (7)(C) and SAC (b) (6), (b) (7)(C) identified themselves as OIG OI criminal investigators and presented their credentials, (b) (6), (b) (7) provided the following information:

(b) (6), (b) (7)(C) answered all questions asked by SA (b) (6), (b) (7)(C) and SAC (b) (6), (b) (7)(C) and agreed to provide a sworn statement encapsulating all information discussed. Attached is the sworn statement provided by (b) (6), (b) (7)(C) on March 29, 2013 (attachment 1). (b) (6), (b) (7) declared that the statement provided was true and accurate to SA (b) (6), (b) (7)(C) and witnessed by SA (b) (6), (b) (7)(C)

Attachment:

1. (b) (6), (b) (7)(C) Sworn Statement, March 29, 2013

Attachment:

1. (b) (6), (b) (7)(C) Sworn Statement, March 29, 2013



(b) (6), (b) (7)(C)

Statement.pdf



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

SWORN STATEMENT

DATE: MAR 29 2013
(Month) (Day) (Year)

(b) (6), (b) (7)(C)

STATEMENT OF: STATEMENT of

I, (b) (6), (b) (7)(C) have been interviewed by
Special Agent (b) (6), (b) (7)(C) of the U.S. Environmental
Protection Agency, Office of Inspector General. At this time, I desire to make the following
statement. I make this decision freely, knowingly, and voluntarily, and without any threats or
promises having been extended to me.

(b) (6), (b) (7)(C)

Signature: _____

Date and Time: 29 MAR / 2013

Location: ARN (b) (6), (b) (7)(C) USEPA

(b) (6), (b) (7)(C)

Witness: _____

(b) (6), (b) (7)(C)

Witness: _____

Page 1 of 6

Initials _____

(b) (6), (b) (7)(C)

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29 March 2013

MEMORANDUM

SUBJ: STATEMENT FOR EPA OFFICE OF INSPECTOR GENERAL

My knowledge of and involvement in the issues surrounding the employment and other activities of Mr. John Beale were conducted within my capacity as (b) (6), (b) (7)(C) Office of the Administrator (b) (6), (b) (7)(C) US Environmental Protection Agency.

I believe my first involvement surrounding the circumstances of Mr. Beale began 09 November 2012, however the name was not revealed to me at that time. (b) (6), (b) (7)(C) came to (b) (6), (b) (7)(C) in the mid-afternoon looking for (b) (6), (b) (7)(C). (b) (6), (b) (7) was not in the office, so (b) (6), (b) (7)(C) asked if I could help (b) (6) understand "how" an employee could be employed by more than one federal government agency at the same time, and how travel and work with one of those agencies could be classified to the extent that the other employer could not get the details. After brief discussion, I determined that if the individual were a military reservist, it would be possible for the location of travel orders to be classified, but not the employ's status in the military. (b) (6), (b) (7)(C) informed me later that day that in consultation with (b) (6), (b) (7)(C) (OARM) it was determined that my assistance was not needed.

I was contacted by (b) (6), (b) (7)(C) (OGC) on or about 13 November 2012, and informed that (b) (6) was working an issue where an employee was alleged to be working for a USG intelligence organization and/or working under absolute secrecy. (b) (6) concern was that IF the employee was in fact working on behalf of an intelligence organization, and if that relationship was intended to be kept secret, this employee was at risk due to the large number of EPA employees who "knew" of this arrangement. The other concern (b) (6), (b) (7) expressed was that the employee was frequently absent from work for extended periods of time, but when queried by his supervisors, explained that the nature of his work was secret, and that he could neither disclose the nature nor location of his activities. At this initial meeting, I provided a similar response that this could be possible if the employee was a military reservist, but the identity of the employee was not disclosed to me, and no follow up action was requested by OGC pending consultation by (b) (6), (b) (7) with OGC leadership. At this time I suspected that (b) (6), (b) (7)(C) and (b) (6), (b) (7) were discussing the same situation, however both had declined to provide a name and further detail.

On or about 16 November, I was again contacted by (b) (6), (b) (7). During this meeting (b) (6) disclosed the name of the employee (b) (6) was asked to inquire about, and requested my assistance in determining if this employee could be working both for EPA and an undisclosed intelligence agency believed to be the Central Intelligence Agency (CIA). Once the employee was identified as John Beale, I agreed to query the intelligence community to determine if a relationship

(b) (6), (b) (7)(C)

2 of 6

existed. During this conversation, I contacted a colleague with the CIA, and asked that a query be conducted to determine if Mr. Beale was involved in support activities either to the CIA, or to another intelligence community partner. (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C) At the time of my departure, CIA had not responded to my request, but I asked (b) (6), (b) (7)(C) to inquire while I was away. On 03 December 2012, I received an email (b) (6), (b) (7)(C) stating that CIA had no knowledge of a relationship or agreement with Mr. Beale. They noted that this was not a definitive conclusion, but in subsequent conversation confirmed such a relationship was highly unlikely. I informed (b) (6), (b) (7) of this information on 10 December when I returned to EPA.

(b) (6), (b) (7) was scheduled to meet with Ms. Gina McCarthy on 12 December 2012. (b) (6) asked if I were willing to sit in on the meeting, and discuss with Ms. McCarthy my knowledge of what would be required for an employee to have dual employers with the IC as Mr. Beale had described. On 11 December, in preparation for my meeting with Ms. McCarthy, and in order to determine more specifically if it was possible for Mr. Beale to be involved in classified projects, I asked the leadership of OARM/SMD to provide his most updated security clearance information. On 11 December I was informed by (b) (6), (b) (7)(C) that Mr. Beale had only completed a NACI on 21 July 1988; and that he held no clearance. This information made it less likely that a counterintelligence inquiry would be initiated.

On 12 December 2012, I met with Ms. McCarthy as explained the Office of Director of National Intelligence (ODNI) requirements for "partnering" with other Departments and Agencies outside of the intelligence community. I explained that based upon the information I had gathered it was highly unlikely, but not definitive that Mr. Beale was working in a "classified" manner for any organization based upon my inquiry to CIA and his lack of a clearance. During the conversation, I offered to speak with Mr. Beale directly and offer assistance if he was working in a classified manner as it had become apparent to me that several offices were now engaged in trying to determine his employment. I was informed that Mr. Beale was still frequently absent, but once he returned to EPA he would be asked to meet with me.

On 13 December 2012, I met with Mr. Beale in the (b) (6), (b) (7)(C) conference room. I introduced myself as the (b) (6), (b) (7)(C) and informed him that I had been made aware that from his representations, his supervisor and leadership at EPA believed he was involved in classified work for an intelligence organization. I informed him that if this were the case, then he had a possible compromise and that it was my job to assist him. I handed him my business card, and explained that I was not asking any questions, only advising him to pass my card to his POC wherever else he was employed, and that they would know what to do. He asked me why, and I informed him that (b) (6), (b) (7)(C), (b) (7)(E)

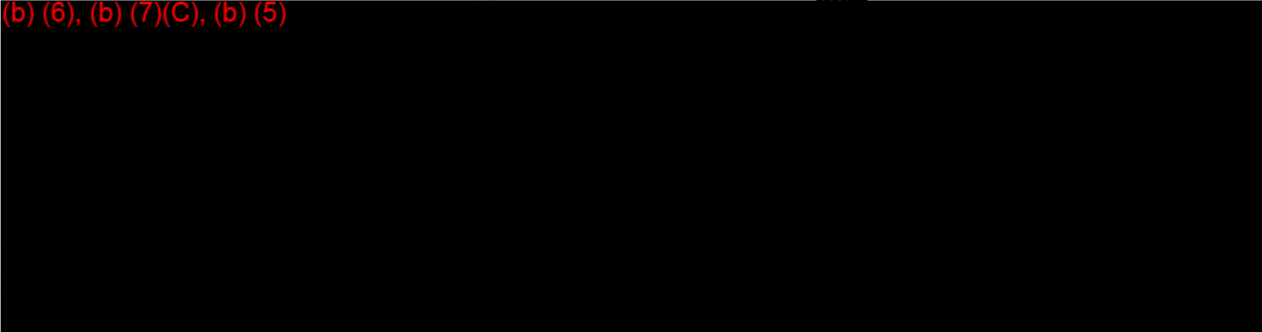
(b) (6), (b) (7)(C), (b) (7)(E)
the (b) (6), (b) (7)(C) and the (b) (6), (b) (7)(C) I explained that because I was new to his relationship (he indicated that whatever he was doing predated the current Administrator), I was not informed. (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

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easily verifies. My offer was not to determine what he was doing, merely to help him protect and explain any national security information that required protection. I informed him that I had been briefed that a number of EPA employees were aware of "some form of classified relationship", and that if it was so sensitive he could not inform a cleared supervisor (Ms. McCarthy), then he likely needed my help. At the point (approximately 15 minutes total) his initially calm and somewhat curious demeanor had changed to visible distress. He had noticeably reddened, began to sweat, and when he rose to leave appeared very shaken. I reminded him (to reassure him) that my offer was to help...just provide my card to whoever he worked with.

Over the next several weeks I had frequent contact with (b) (6), (b) (7)(C). I informed (b) (6) that I had not heard back from Mr. Beale. (b) (6) asked me if there were counterintelligence implications (a concern (b) (6) has also expressed during our initial meeting). I told (b) (6) that the lack of any (b) (6), (b) (7)(C), (b) (5)



On 21 December 2012, Mr. Beale stopped by my office, and updated me that folks he worked with were considering what they could say to me. As he has asked before, he wanted assurances that I was not "probing him" (my words) to get details of his activities. I assured him that those details were not necessary; I merely needed to understand the arrangement to protect him/the organization he supported from compromise. This was a short discussion. Mr. Beale was more relaxed. He said his involvement was winding down, and he would get back to me when he could.

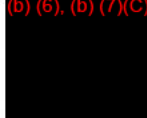
(b) (5)



During the month of January (date unknown) Mr. Beale called and left me a voice message saying that he was still following up with his "other" employer, and again that the relationship

A of 6

(b) (6), (b) (7)(C)



was coming or had come to an end. I believe the timeframe for his call was between 08-11 January (b) (6), (b) (7)(C)

I do not recall having contact with Mr. Beale again until later in the month. I was out of the office (b) (6), (b) (7)(C) at that time, I again attempted to follow up with Mr. Beale. He contacted me by email on 30 January.

I do not recall the details of and/or any other instances of contact with Mr. Beale. This statement is true and correct to the best of my knowledge and belief.

No Further Information

5 of 6

(b) (6), (b) (7)(C)

I acknowledge that I have read this statement consisting of 6 pages in its entirety. I have initialed each page and correction and signed the statement. I declare under penalty of perjury that the foregoing statement is true and correct.

Signature: (b) (6), (b) (7)(C)

Date and Time: 29 MAR 2013 1520

I declare under penalty of perjury that the foregoing statement was given to me by

(b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

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Initials (b) (6), (b) (7)(C)

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 28 2013

THE ADMINISTRATOR

Mr. Arthur Elkins
Inspector General
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Mr. Juan Reyes
Acting Associate Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Mr. Elkins and Mr. Reyes:

As you are each aware, the Office of the Inspector General has been conducting a review concerning certain employment functions or qualifications resident in the Office of Homeland Security. That review has focused on the role of the position currently inhabited by John Martin in certain ongoing OHS activities, and his status as a Section 1811 series employee. Following an interview conducted by OIG agents of Mr. Martin on Thursday, October 24th, there was an apparent confrontation between OIG Agents and several employees of OHS and OGC. This incident is of particular concern because, as leaders, we must first and foremost ensure the safety of our employees and work to de-escalate conflicts between our employees.

These incidents are unfortunately indicative of the growing discord, distrust, and conflict between members of your respective Offices. This is having a damaging effect on your abilities to carry out your respective duties, and I am very concerned that recent actions have raised significant concerns about your offices' abilities to proceed with respect to these matters in an objective fashion.

I take each of these matters seriously, and am committed to seeking an appropriate resolution of each. We need to understand the propriety of the roles of OHS that may be the subject of an OIG review, and we need to address any and all complaints that have or may arise from the conduct of all parties on the evening of October 24th. But we must do these things in an objective manner that strives for the truth, and accountability, rather than perpetuating acrimony and perceived bias.

I rely heavily on each of you as senior leaders at EPA. To that end, I request that you both take

immediate steps to diffuse the situation. This can and must be done in a manner that protects the safety and well-being of our valued employees, and also does not compromise the integrity of any ongoing or imminent activities.

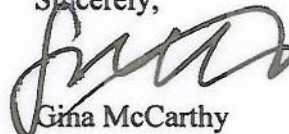
With respect to the investigation of the incident last Thursday evening, I have sought the assistance of the Federal Protective Service. I understand that they have jurisdiction to investigate any complaints that may arise from that incident, and they can pursue all possible leads in an unfettered and objective manner.

With respect to the review of certain OHS functions that I referenced earlier, to date, I have not received a clear explanation for the goal of that particular review or the methodology chosen for that review. I do, however, understand that the OIG has raised questions about the OHS's role in national security investigations. As you both know, I have asked my General Counsel to lead a dialogue between the two of you to resolve those questions. I am committed to dealing with the root cause of the OIG's concerns in a timely, accelerated manner, and am prepared to seek the assistance of third parties, if necessary. I am committed to consulting with the FBI expeditiously to get their advice on whether we must have an 1811 employee in OHS during the time of this dialogue. I believe this is the most appropriate approach to moving this issue forward. Therefore, I request that OIG temporarily halt its review until the process I have described is complete.

With regard to the conduct of your staffs, my expectation is that you, as the senior managers for your two offices, actively manage your staff to de-escalate this situation. For the immediate future, communication between your two offices should be between the two of you, and staff should be instructed to limit their communications about these issues and with employees in the other office until an appropriate path forward can be reached.

Again, I am committed to an expeditious fact-finding exercise that addresses all of the underlying issues. But that should be done in a manner that best ensures the integrity of any outcome, and best preserves the well-being of all of our employees. Most of all, at this important time, I need your leadership and management skills, as we strive to move forward in an open and honest way. If you have any questions or concerns about your ability to comply with my requests, please contact me immediately, and certainly before any further action on these issues occurs.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Gina McCarthy', is written over the printed name.

Gina McCarthy



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

MEMORANDUM OF INTERVIEW

Interview Date:	JULY 3, 2012
Case Name:	ALLEGATIONS OF EMPLOYEE MISCONDUCT AND FRAUD: (b) (6), (b) (7)(C)
Case Number:	OI-HQ-2012-ADM-0119
Interviewee:	MARK W. TOWNSEND, OPPT, RAD
Interview Location:	(b) (6), (b) (7)(C) OFFICE OF MARK TOWNSEND
Interviewed By:	SPECIAL AGENT (b) (6), (b) (7)(C)
Witnesses:	SPECIAL AGENT (b) (6), (b) (7)(C)

On July 3, 2012, at approximately 9 am, Special Agents (SA) (b) (6), (b) (7)(C) and SA (b) (6), (b) (7)(C) U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), Office of Investigations (OI), interviewed Mark W. Townsend (Townsend), Branch Chief, EPA Office of Pollution Prevention and Toxics (OPPT), Risk Assessment Division (RAD), at his office in EPA (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) is the current supervisor for (b) (6), (b) (7)(C) who is alleged to be involved in employee misconduct and fraud.

After SA (b) (6), (b) (7)(C) and SA (b) (6), (b) (7)(C) identified themselves as OIG, OI criminal investigators and presented their credentials, Townsend was provided a copy of the Acknowledgement of Rights: Garrity warning, advising him of his rights. Townsend acknowledged he understood his rights and initialed and signed the Garrity warning (attachment 1). After signing the warning and agreeing to be interviewed, Townsend provided the following information:

SA (b) (6), (b) (7)(C) asked (b) (6), (b) (7)(C) to provide his full name, date of birth (DOB), and current title. (b) (6), (b) (7)(C) stated his name is Mark William Townsend, (b) (6), (b) (7)(C) DOB (b) (6), (b) (7)(C) and he currently holds the position of Branch Chief in RAD, OPPT. (b) (6) has held this position for the last five (5) years and has been employed by EPA since 1980. Before joining EPA, Townsend worked for (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C), (b) (5)

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(b) (6), (b) (7) (C) explained that the main function of his branch within RAD, OPPT is for his employees to take existing literature and write screening level toxicity reviews on chemicals that are in commerce. The chemicals his branch writes reviews on are determined by Congress. The length of time it takes an employee to complete a review varies. Much of the branch work is driven by private corporations that have developed new chemicals to use in commercial products. Townsend stated that because of this connection to private proprietary information, much of the branch's work is considered confidential business information (CBI) and falls under Toxic Substances Control Act (TSCA).

When asked how many employees Townsend supervised, he stated that he has seven (7) subordinates in his branch and their duty station is in EPA Headquarters. Townsend emphasized

(b) (6), (b) (7)(C), (b) (5)

Agent's Note: (b) (6), (b) (7)(C) was not mentioned at this point in the interview as being part of Townsend's branch.

(b) (5)

(b) (5) After receiving work assignments, Townsend stated that he edits each chemical review or other work assignments for grammar and content before final submission for publication.

(b) (5)

Townsend stated that he writes Performance Appraisal and Recognition System (PARS) documents twice a year for each employee; however, Townsend provides constant feedback to his employees on their work products. (b) (5)

(b) (5)

Townsend was asked by SA (b) (6), (b) (7)(C) if any of his employees violated the Hatch Act. Townsend stated that none of his employees had violated the Hatch Act but he (b) (5)

(b) (5)

Townsend stated that if there was a Hatch Act violation, he would send an email up his chain of command to (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C).


Agent's Note: It is believed that (b) (6), (b) (7)(C) refers to OPPT Director (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) refers to RAD (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) refers to (b) (6), (b) (7)(C) OPPT ethics official.

SA (b) (6), (b) (7)(C) asked Townsend how his employee's submitted time and attendance documents. Townsend stated that they use People Plus and web forms. Townsend stated that if employees are out of the office and do not have access to People Plus either Townsend or (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) OPPT timekeeper, will input the employees time; Townsend then certifies all documents for his employees in People Plus. (b) (5)

(b) (5), (b) (6), (b) (7)(C)

SA (b) (6), (b) (7)(C) asked Townsend if he was familiar with the EPA and National Treasury Employees Union (NTEU) flexiplace policies and to explain how flexiplace was used in his branch. Townsend stated he had read and taken training on the flexiplace policies and that he had several employees who used flexiplace. Townsend began to list those employees who fell into each category of flexiplace: fixed, episodic, and medical. As Townsend listed his (b) (5), (b) (6), (b) (7)(C)

Townsend explained that the flexiplace coordinator for RAD, OPPT is (b) (6), and (b) (6) is responsible for handling all paperwork associated with the flexiplace program. When asked if his branch was in compliance with the above mentioned flexiplace policies, Townsend stated that his branch was, (b) (5)



(b) (5), (b) (6), (b) (7)(C)



(b) (5), (b) (6), (b) (7)(C)



(b) (5), (b) (6), (b) (7)(C)



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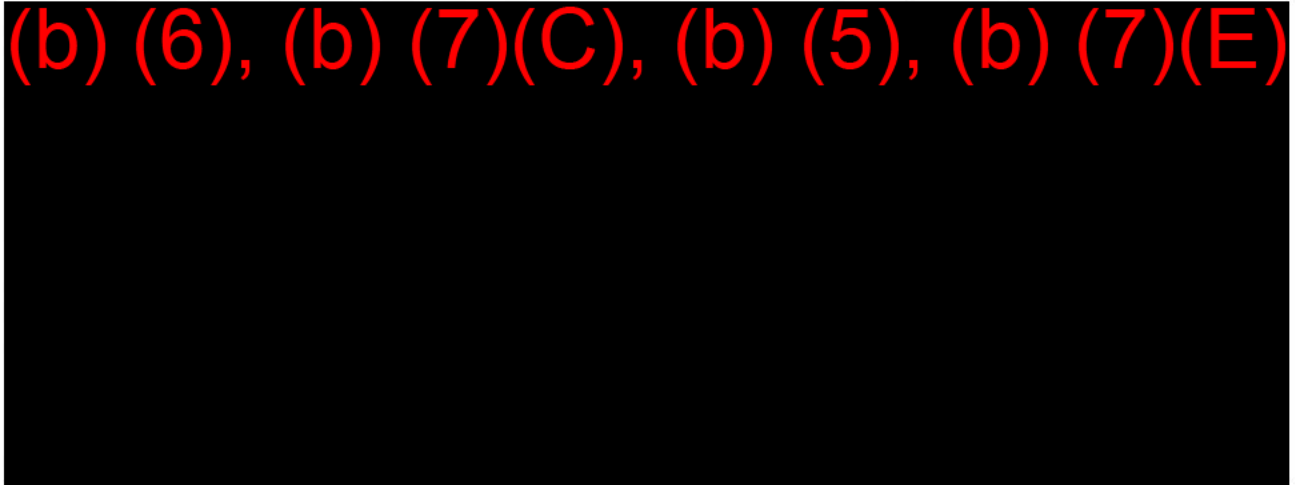
Page 5

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(b) (5), (b) (6), (b) (7)(C)

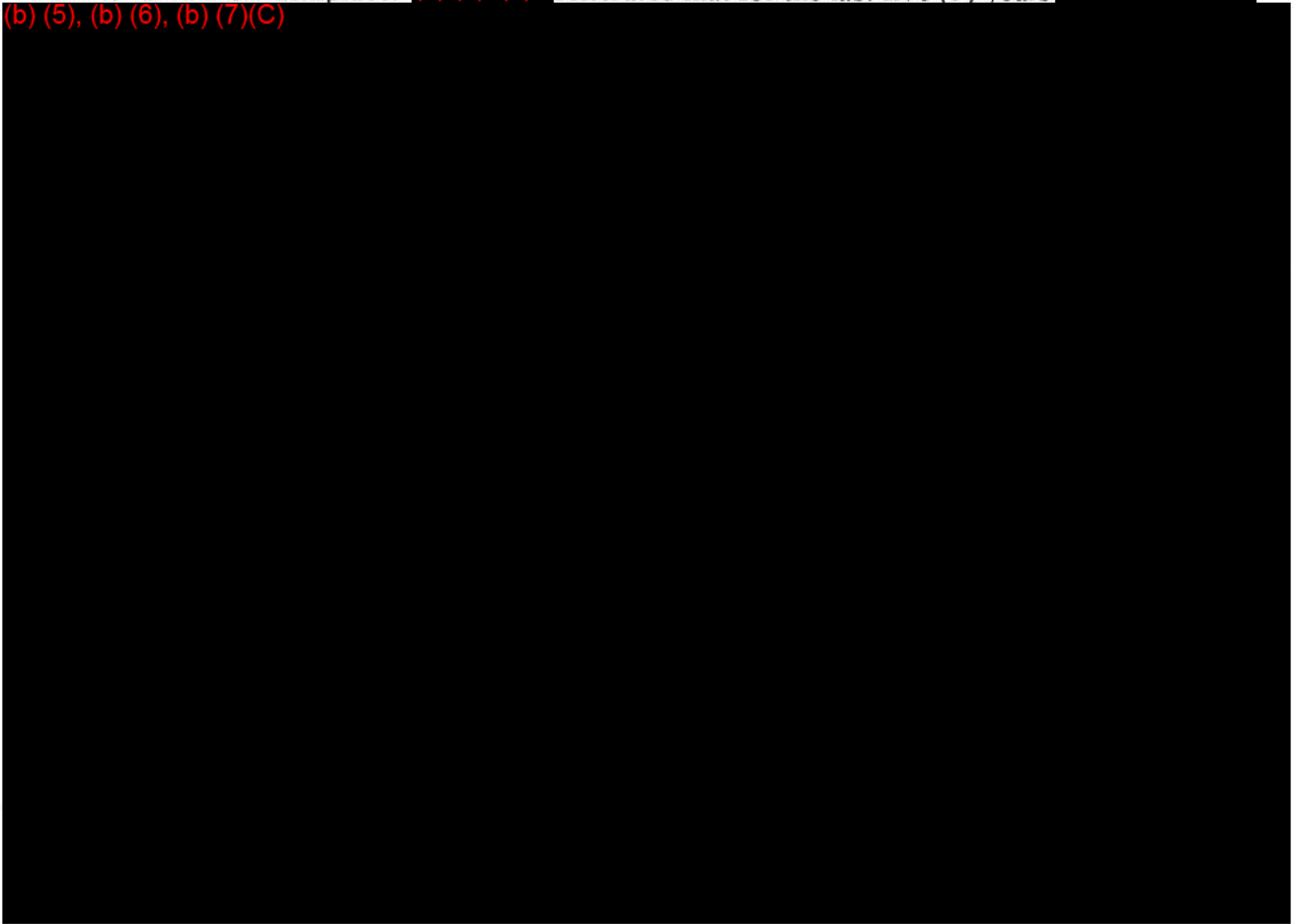
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(b) (6), (b) (7)(C), (b) (5), (b) (7)(E)

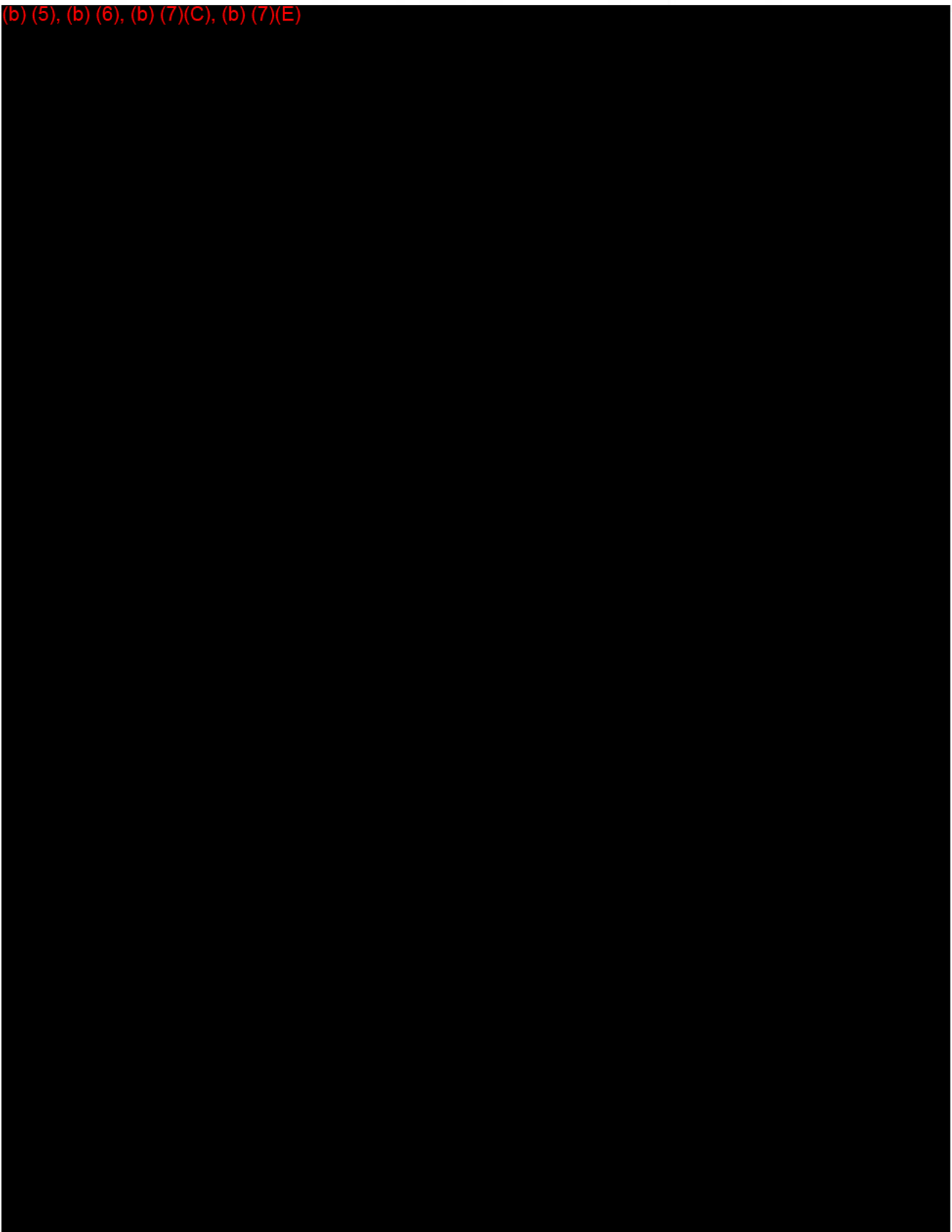
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SA (b) (6), (b) (7)(C) stated that the flexiplace policy stipulated that in order for an employee to be eligible for flexiplace, there has to be enough mobile work to keep the employee fully engaged.

SA (b) (6), (b) (7)(C) asked Townsend if (b) (6), (b) (7)(C) has been fully engaged with enough mobile work to remain on flexiplace. (b) (6), (b) (7)(C) reiterated that for the last five (5) years (b) (6), (b) (7)(C) (b) (5), (b) (6), (b) (7)(C)

A large rectangular area of the document is completely redacted with a solid black fill.

(b) (5), (b) (6), (b) (7)(C), (b) (7)(E)



RESTRICTED INFORMATION

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SA (b) (6), (b) (7)(C) asked Townsend if there was anyone else in OPPT that Townsend thought was possibly defrauding the government. Townsend explained that there were several individuals who were poor performers, who provide little to no work product, but receive "fully successful" on their PARS. These OPPT employees include (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C)

SA (b) (6), (b) (7)(C) presented Townsend with a nondisclosure agreement which Townsend subsequently read and signed (attachment 4).

(b) (5), (b) (6), (b) (7)(C), (b) (7)(E)

The interview ended at approximately 1:10pm.

At approximately 6pm on July 3, 2012, SA (b) (7)(C), and SA (b) (6), (b) (7) returned to Townsend's office and swore Townsend to the statement he wrote (attachment 5).

Attachments:

1. Mark Townsend's Garrity Warning, dated 7/3/2012
2. Inside the Fishbowl Newsletter, November 1998
3. (b) (6), (b) (7)(C) work from home agreements, 1992 and 1997
4. Mark Townsend's Non-disclosure Agreement, dated 7/3/2012
5. Mark Townsend's Sworn Statement, dated 7/3/2012

Attachments:

1. Mark Townsend's Garrity Warning, dated 7/3/2012



Mark Townsend
Garrity Warning.pdf

2. Inside the Fishbowl Newsletter, November 1998



Fishbowl Newsletter
November 1998.pdf

3. (b) (6), (b) (7)(C) work from home agreements, 1992 and 1997



(b) (6), (b) (7)(C)

Work from Home Agr

4. Mark Townsend's Non-disclosure Agreement, dated 7/3/2012



Mark
Townsend-Nondisclos

5. Mark Townsend's Sworn Statement, dated 7/3/2012



Mark
Townsend-Sworn Sta



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

ACKNOWLEDGEMENT OF RIGHTS

(b) (6), (b) (7)(C)

_____, have been advised by Special Agent _____, who has identified himself/herself to me as a Special Agent of the United States Environmental Protection Agency, Office of Inspector General, that he/she is conducting an investigation into a matter affecting my official duties.

In connection with this, I have been advised that:

(b) (6), (b) (7)(C)

1. I have the right to remain silent if my answers may tend to incriminate me.
2. Anything I say or do may be used as evidence in administrative proceedings, civil proceedings, or any future criminal proceeding involving me.
3. If I refuse to answer the questions posed to me on the grounds that the answers may tend to incriminate me, I cannot be discharged solely for remaining silent.
4. However, my silence can be considered in an administrative proceeding for its evidentiary value that is warranted by the facts surrounding my case.
5. This interview is strictly voluntary and I may leave at any time.

I have read the Acknowledgement of Rights or had them read to me and I understand them as set forth above.

Signature: (b) (6), (b) (7)(C)

Date & Time: (b) (6), (b) (7)(C)

Investigator: (b) (6), (b) (7)(C)

Witnessed: _____

Place (b) (6), (b) (7)(C)



"We must conduct our affairs at EPA as if we worked inside a fishbowl ..."
 — William Ruckelshaus, former Administrator, U.S. EPA

November 1998

Volume 14, Number 5

Chapter 280 Executive Board

Jim Murphy, President
 Dwight Welch, Executive Vice-President
 Rosezella Canty-Letsome, Chief Steward
 Bill Hirzy, Senior Vice President

Arthur Chiu, Vice-President
 Bill Garetz, Vice-President
 Freshteh Toghrul, Vice-President
 Jim Goodyear, Vice-President
 Jeff Beaubier, Vice-President
 Julie Simpson, Secretary
 Bernie Schneider, Treasurer

"Fishbowl" Editorial Board

Dwight Welch, Editor
 Bill Hirzy
 Bill Garetz
 Jeff Beaubier

Editorial Policy

Articles from any source are considered for publication by the Editorial Board. Items should be submitted on Disk to UN-200. Articles indicating authorship reflect the views of the author, not necessarily those of Chapter 280. We do not publish anonymously submitted articles, but when requested, may conceal the author's name.

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National Treasury Employees Union Chapter 280

PO Box 76082
 Washington, DC 20013
 Offices: Waterside, North Plaza
 Mail Code: UN-200
 Telephone: 202-260-2383
 FAX: 202-401-3139

From the Chapter President

We encourage all employees to attend training on the new PERFORMS system and to consider volunteering for your local Awards Board. Awards are now handled separately from the performance appraisal process. The Awards Board will review and prioritize nominations for Agency honor awards (such as gold, silver and bronze medals) and significant monetary awards (above a threshold level set by the Office, usually more than \$500). For example, the "Q" awards (for Quality) are in the range of \$5,000 to \$10,000. Some awards, such as time-off and on-the-spot awards, and monetary awards below the threshold level continue to be presented at management's discretion, but are subject to after the fact quarterly review by the Awards Board.

The Awards Board operates at the local level, usually for an AA-ship or Office. The Board comprises an equal number of employees appointed by each of the two headquarters unions, AFGE Local 3331 and NTEU Chapter 280, and by management. Since persons nominated by the union represent the union, we require that they be union members. Therefore, we need one, two, or three member-volunteers for each Office where there is an Awards Board. It will only work with your help. NTEU will give you training and support. Don't be shy. Step up. Workplace democracy needs you.

NTEU Chapter 280 Seeks Your Comments on Flexiplace

The Agency has concluded negotiations with AFGE on Flexiplace and is ready to begin bargaining with NTEU Local 280. We expect that the AFGE agreement will be the starting point for these discussions. Below is a summary of that agreement. If you have questions, comments, or suggestions for changes you would like to see included for our bargaining unit, contact one of the members of Local 280's negotiating team -- Rosezella Canty-Letsome (202 260 3346), Julie Simpson (202 260 7383), or Freshteh Toghrul (703 308 7014).

Under the AFGE agreement, there are three forms of Flexiplace:

- Regular Flexiplace allows an employee to work at an alternate work location (AWL) on a regular and recurring basis, usually for no more than two days per week.
- Episodic Flexiplace allows the employee to work in an AWL for a specific limited duration.
- Medical Flexiplace allows an employee with a medical condition that does not affect performance of work

assignments to work in an AWS for up to 5 days per week while the medical condition continues. This is not intended to be a permanent arrangement.

The Flexiplace program is open to permanent employees who have been at EPA at least one year, who have no documented performance or conduct deficiencies during that time, have portable work, have demonstrated the ability to work independently, have an adequate AWL that will not interfere with productivity, and have the supervisor's approval. In addition to the eligibility criteria, in deciding whether to approve Flexiplace the supervisor can consider administrative factors such as cost to the agency, availability of equipment, office coverage, and effect on other employees' workload.

Employees participating in Flexiplace must sign a work agreement covering work assignments for the AWL, security for government property and records, liability issues, and responsibilities for timekeeping and leave approval. Employees in Flexiplace may work overtime or compensatory time only to meet priority needs of the Agency and only with prior approval. Employees are not entitled to excused absence for emergency closings, delayed openings, or early dismissals for conditions or events that do not affect the AWL. If the employee is unable to work in the AWL because of conditions there, the employee must report to the regular duty station or request leave.

Employees are eligible for workers compensation if injured in the course of performing official duties in the AWL.

The Agency will provide appropriate equipment, when it is available, for employees to perform work in the AWS. The Agency will not be responsible for operating costs of personal equipment used in the AWS, home maintenance, homeowners insurance, or other residential costs. The Agency will pay the cost of long-distance telephone calls made on official business, and may in appropriate circumstances install telephone lines and pay monthly telephone charges. The Agency may also reimburse copying, faxing, and mailing costs, with the prior approval of the supervisor. Flexiplace employees may use Agency-owned computers and Agency-provided office supplies.

The Agency may remove an employee from Flexiplace if the employee fails to adhere to the requirements of the program or based on performance or conduct concerns. The employee must be given written notice of the reasons for removal. The employee may reapply in six months.

Flu Vaccine Available at Waterside, Reagan, Fairchild, Crystal Station

EPA announced that influenza vaccination would be available starting October 15 in the health units at four headquarters office locations (Waterside Mall, Ronald Reagan, Fairchild, and Crystal Station), while the supply of vaccine lasts. The schedule announced for these locations follows.

Waterside Mall - Monday through Thursday, 9 am to 12 noon

Ronald Reagan - Monday, Tuesday and Thursday, 1 to 3 pm

Fairchild - Monday, Wednesday and Friday, 1:30 pm to 3:30 pm, and Tuesday and Thursday, 9 to 11:30 am and 1 to 3:30 pm

Crystal Station - Monday through Thursday, 1 to 4 pm

Book Review: "The End of Work," Jeremy Rifkin (1995)

[New York: G. P. Putnam's Sons, 1995, 350 pages with index.
Reviewed by Jim Murphy]

This book is scarier than the mad-slasher movies that flood TV around Halloween. It begins by describing dislocations in the world of work that accompanied the transition from an agrarian society to the industrial age, which, after a transitory fling with service-based jobs, is now being replaced by computers, robots, and smart machines.

It touches on the role of unions in the development of the middle class, and the direct correlation between union membership and wages. (As union strength wanes, wages decline.) The middle class is being squeezed. In 1969, more than 71% of Americans belonged to the middle class. In the 1990s, fewer than 63% do, despite the fact that only one married couple in three is now supported by only one wage earner. The Social Security debate should take account of the decline in workers covered by a pension plan, from about 50% in 1979 to less than 43% in 1989. And how has management fared? In 1979, CEOs earned about 29 times the salary of the average manufacturing worker; in 1988, the CEOs got 93 times the average worker's pay.

Rifkin suggests that unions erred in seeking retraining rather than control of the application of the new technology,

Times bestseller list. Mr. Carville's writing style is highly entertaining and, despite the seriousness of the abuses alleged, he makes you laugh throughout its entire length.

MEGA REORGANIZATION PROPOSED BY WEST TOWER

IT Mergers and Acquisitions--EPA Style

EPA Staffers weary of culture of constant change

By Jeff Beaubier, Ph.D.

As Wall Street celebrates what many economists view as the peak of another business cycle with an extraordinary spree of mergers and acquisitions, as the dusk of another Administration begins to faintly darken, EPA executives in the West Tower announced yet another reorganization. The proposed reorganization could result in extracting effective, visible branches and programs from across EPA and merging them into a super-office of information, as yet unnamed.

Administrator Carol Browner's Oct 15 all-hands e-mail memorandum announcing her proposal for a broad restructuring of EPA's fragmented information technology (IT) infrastructure brought surprise and dismay to many staffers who have had to deal almost continuously with the uncertainties of multiple reorganizations since the new Administration arrived in January, 1993.

To others, including some IT managers and contractors hoping to gain additional task assignments, the initiative was hailed as an opportunity to bring order to an EPA IT infrastructure they claim lacks the essential characteristics of a true enterprise network. Some financial managers also noted the initiative, if successfully implemented, could help EPA audit IT budget expenditures that are effectively hidden in various division program elements, including many esoteric and seldom used "data bases." Critics of the Agency have long pointed out EPA's proclivity to construct data bases and model hazards and risks rather than conduct field work and collect empirical data. The reforms, if carried out, could result in unit and program transfers affecting hundreds of EPA scientists and professional employees, as they are defined in the NTEU-EPA contract governing employee-management relationships.

In her announcement Mrs. Browner declared that, "While there is work needed to refine the list of specific organizational units and resources which will comprise the new Office, all or part of the following units may be appropriate for inclusion in the new

LETTERS TO THE EDITOR

Fishbowl Comments and Letter to the Editor from James Handley

Dwight,

Congrats on getting the FB published. Lots of good information there. I think it would help to set off each article with a larger headline and some space after the end of the previous one. Without a visual break, they seem to run together and discourage all but the most motivated readers-- which is probably most of them.

Here's a little letter to the Editor:

To the Editor,

In response to Jeff Beaubier's concern about the Delaney clause (expressed in the editorial "Dr. Goldman's Legacy"), I'd like to try to clarify what actually was changed by the 1996 FQPA (amending FIFRA). Delaney only prohibited carcinogenic additives in processed food. Even before FQPA, EPA had interpreted Delaney to allow pass-through of carcinogens at levels below the tolerances for raw agricultural commodities into processed food. (That interpretation -- which seems to be what Jeff doesn't like -- is at least 10 years old.) In FQPA, Congress made that interpretation statutory because the courts had rejected EPA's interpretation. In exchange, FQPA mandates: 1) that EPA do a complete re-assessment of risks from all pesticide residues encompassing cumulative effects of pesticides with common modes of toxicity, 2) a default ten-fold margin of safety when data is incomplete, 3) that endocrine-disrupting effects be included in the risk assessments, and 4) that higher exposures and susceptibilities of children be factored in. The Administration (including Goldman) and Rep. Henry Waxman used what EPA had previously agreed to give up (the "pass-through" provisions) to negotiate this array of new protections. The Delaney Clause survives to the extent that it still prohibits carcinogenic ADDITIVES to processed food but continues to allow "pass-through" of pesticides at or below tolerances set for raw agricultural commodities.

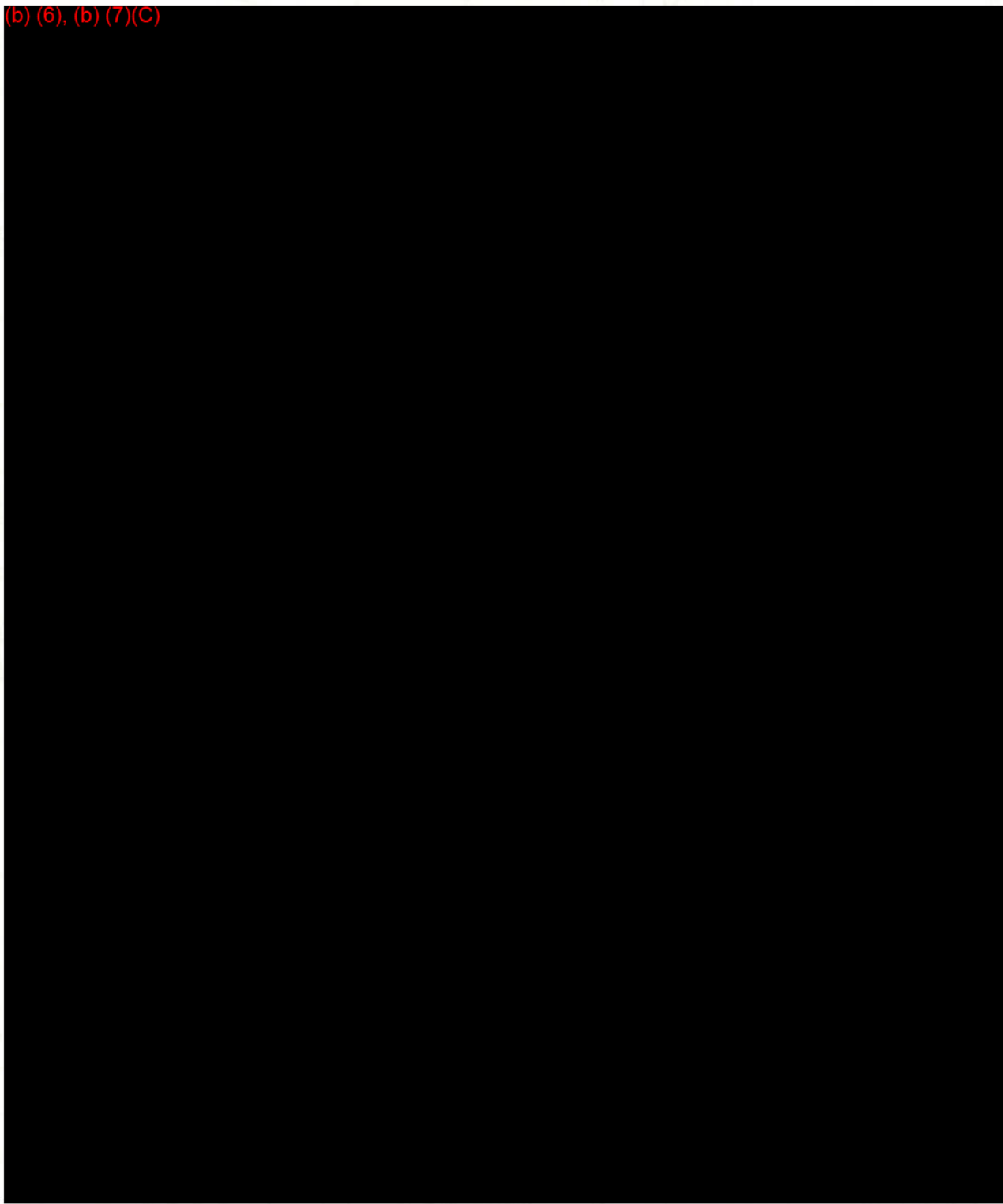
I think the negotiation was like trading in a used car that didn't run for a new one with all the options-- without paying a penny and getting to keep the old one. Pretty good bargain, I'd say.

A COMMITTED NEW MEMBER SPEAKS OUT

It Could Happen to Anyone by John Beier

In October 1989 one of my performance standards was to help people in the branch setup and install their computer systems. In the process of installing a computer, I lifted a computer and

(b) (6), (b) (7)(C)



If there have been issues with travel reimbursement and parking, please explain. _____

Training

Is training available to EPA employees on a fair and equitable basis? Yes / No

How should it be improved? _____

Scientific Integrity

Are you satisfied with the level of protection for scientific integrity in EPA? Yes / No

If "no", explain? _____

Professional/Job Interest(s)

Please indicate which of the following areas of professional work interest you. The interest(s) you identify don't have to correspond to work you are now performing.

Children's Health Issues__ Women's Health Issues__ Ecosystem Protection__
 Indoor Air Quality__ Pesticide Risk Control__ Risk Assessment__ Legal Ethics__
 Other__

REQUEST FOR PAYROLL DEDUCTIONS FOR LABOR ORGANIZATION DUES

Privacy Act Statement

Section 5525 of Title 5 United States Code (Allotment and Assignments of Pay) permits Federal agencies to collect this information. This completed form is used to request that labor organization dues be deducted from your pay and to notify your labor organization of the deduction. Completing this form is voluntary, but it may not be processed if all requested information is not provided.

This record may be disclosed outside your agency to: 1) the Department of Treasury to make proper financial adjustments; 2) a Congressional office if you make an inquiry to that office related to this record; 3) a court or an appropriate Government agency if the Government is party to a legal suit; 4) an appropriate law enforcement agency if we become aware of a legal violation; 5) an organization which is a designated collection agent of a particular labor organization; and 6) other Federal agencies for management, statistical and other official functions (without your personal identification).

Executive Order 9397 allows Federal agencies to use the social security number (SSN) as an individual identifier to avoid confusion caused by employees with the same or similar names. Supplying your SSN is voluntary, but failure to provide it, when it is used as the employee identification number, may mean that payroll deductions cannot be processed.

Your agency shall provide an additional statement if it uses the information furnished on this form for purposes other than those mentioned above.

1. Name of Employee (Print—Last, First, Middle) X	2. Employee I.D. Number (SSN or Other) X	3. Timekeeper Number MAIL CODE
4. Home Address (Street Number, City, State and ZIP Code) X	5. Name of Agency (Include Bureau, Division, Branch or Other Designation)	

Name of Labor Organization (Indicate Local, Branch, Lodge or Other Appropriate Identification)

National Treasury Employees Union

Chapter No. 280

I hereby certify that the regular dues of this organization for the above named member are currently established at \$ * per (biweekly pay period) (~~biweekly~~). (Strike out whichever period is not appropriate, based on arrangement with the employee's agency.)

Signature and Title of Authorized Official National President	(b) (6), (b) (7)(C)	Date (Month, Day, Year)
--	---------------------	-------------------------

Section B—Authorization By Employee

I hereby authorize the above named agency to deduct from my pay each pay period, or the first full pay period of each month, the amount certified above as the regular dues of the (Name of Labor Organization) NTEU Chapter No. 280 and to remit such amount to that labor organization in accordance with its arrangements with my employing agency. I further authorize any change in the amount to be deducted which is certified by the above named labor organization as a uniform change in its dues structure.

I understand that this authorization, if for a biweekly deduction, will become effective the pay period following its receipt in the payroll office of my employing agency; and that, if for a monthly deduction, it will become effective the first full pay period of the calendar month following its receipt in the payroll office of my employing agency. I further understand that Standard Form 1188, Cancellation of Payroll Deductions for Labor Organization Dues, is available from my employing agency, and that I may cancel this authorization by filing Standard Form 1188 or other written cancellation request with the payroll office of my employing agency. Such cancellation will not be effective, however, until the first full pay period which begins on or after the next established cancellation date of the calendar year after the cancellation is received in the payroll office.

Contributions or gifts (including dues) to the labor organization shown above are not tax deductible as charitable contributions. However, they may be tax deductible under other provisions of the Internal Revenue Code.

Signature of Employee X	Date (Month, Day, Year) X
----------------------------	------------------------------

FOR COMPLETION BY AGENCY ONLY — The above named employee and labor organization meet the requirements for dues withholding. (Mark the appropriate box. If "Yes", send this form to payroll. If "No", return this form to the labor organization.)

YES	NO

☐ PERMANENT
☐ WAE

Name: _____
Phone: _____

(Please Print)

Division or Office: _____

Are you an NTEU member? Yes / No

CONFIDENTIALITY NOTICE: Your individual responses will not be shared with anyone outside of the NTEU Chapter 280 Executive Board. Only tabulated responses (with all identifying information removed) will be made generally available to others.

ROACHEZ

In other news,
Ken Starr today
announced a
broadening of
his investigation.

The new inquiries will
include allegations made
against Buddy Clinton, the
First Dog.

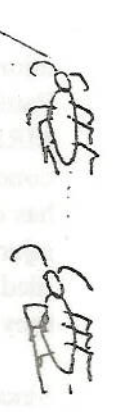
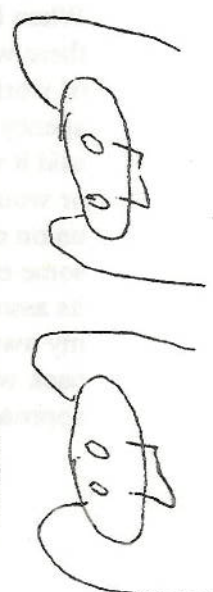
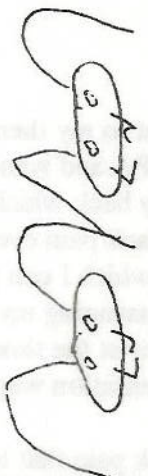
Buddy stands accused of
physical abuse towards
Socks the Cat.

The First Pooch also
faces three counts of
illegally soliciting
dog biscuits from
Democratic Campaign
contributors.

Buddy's reaction:
"G-R-R-R-R"

Humans are just too
weird for me!

Buddy has been offered
immunity from prosecution
if he agrees to wear a
wire and admits that he
once slept in the
President's bed.



Are you under peer review? Yes / No

How can peer review be improved? _____

Are you under 360° review? Yes / No

What is wrong with it, or how can it be improved? _____

Promotions

Explain how the promotion system can be improved, either in general or specifically, e.g., for a chemist position, etc. _____

Travel

When traveling on government business does this travel occur during your normal duty hours?
Yes / No

If not, explain. _____

GS Chart (D.C.) 1998 NTEU Dues

Step	1	2	3	4	5	6	7	8	9	10
GS-1	8.03	8.06	8.09	8.13	8.21	8.25	8.28	8.33	8.33	8.37
2	8.20	8.25	8.29	8.32	8.35	8.39	8.40	8.41	8.43	8.49
3	8.35	8.39	8.40	8.41	8.45	8.51	8.57	8.62	8.70	8.79
4	8.44	8.50	8.56	8.63	8.71	8.81	8.95	9.04	9.09	9.14
5	8.69	8.78	8.91	9.04	9.09	9.14	9.24	9.33	9.43	9.48
6	9.05	9.12	9.21	9.31	9.42	9.47	9.51	9.59	9.64	9.70
7	9.36	9.45	9.49	9.56	9.62	9.70	9.80	9.89	9.95	10.02
8	9.59	9.64	9.74	9.85	9.94	9.99	10.07	10.14	10.27	10.39
9	9.87	9.95	10.03	10.09	10.22	10.35	10.49	10.62	10.68	10.71
10	10.08	10.24	10.39	10.56	10.66	10.70	10.76	10.81	10.88	10.98
11	10.56	10.66	10.69	10.76	10.83	10.93	11.01	11.12	11.23	11.34
12	11.00	11.13	11.26	11.39	11.48	11.57	11.63	11.67	11.75	11.81
13	11.60	11.65	11.76	11.83	11.88	11.92	11.99	12.08	12.16	12.22
14	11.95	12.05	12.16	12.22	12.29	12.35	12.42	12.51	12.63	12.73
15	12.35	12.44	12.58	12.71	12.83	13.00	13.21	13.45	13.73	13.96

Details

Are details made available in a fair and equitable manner? Yes / No

If "no", explain _____

Awards

Are awards given out on a fair and equitable basis? Yes / No

How can performance be more fairly awarded? _____

Your job title: _____

Are their issues specific to your job title, i.e., medical officer, toxicologist, research scientist, biologist, chemist, etc.? _____

If you could make five improvements in the work place, what would they be? Be realistic, consider the topics above and any others, and give details. Attach additional sheets as you need to.

GS Chart (P.C.) 1998 NTEU Dues

Step	1	2	3	4	5	6	7	8	9	10
GS-1	8.03	8.06	8.09	8.13	8.21	8.25	8.28	8.33	8.33	8.37
2	8.20	8.25	8.29	8.32	8.35	8.39	8.40	8.41	8.43	8.49
3	8.35	8.39	8.40	8.41	8.45	8.51	8.57	8.62	8.70	8.79
4	8.44	8.50	8.56	8.63	8.71	8.81	8.95	9.04	9.09	9.14
5	8.69	8.78	8.91	9.04	9.09	9.14	9.24	9.33	9.43	9.48
6	9.05	9.12	9.21	9.31	9.42	9.47	9.51	9.59	9.64	9.70
7	9.36	9.45	9.49	9.56	9.62	9.70	9.80	9.89	9.95	10.02
8	9.59	9.64	9.74	9.85	9.94	9.99	10.07	10.14	10.27	10.39
9	9.87	9.95	10.03	10.09	10.22	10.35	10.49	10.62	10.68	10.71
10	10.08	10.24	10.39	10.56	10.66	10.70	10.76	10.81	10.88	10.98
11	10.56	10.66	10.69	10.76	10.83	10.93	11.01	11.12	11.23	11.34
12	11.00	11.13	11.26	11.39	11.48	11.57	11.63	11.67	11.75	11.81
13	11.60	11.65	11.76	11.83	11.88	11.92	11.99	12.08	12.16	12.22
14	11.95	12.05	12.16	12.22	12.29	12.35	12.42	12.51	12.63	12.73
15	12.35	12.44	12.58	12.71	12.83	13.00	13.21	13.45	13.73	13.96



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

(b) (6), (b) (7)(C)

MAY 08 1990

OFFICE OF
PESTICIDES AND TOXIC SUBSTANCES

MEMORANDUM

SUBJECT: Request for Storage of TSCA CBI at the
Private Residence of an EPA Employee

FROM: (b) (6), (b) (7)(C)
Information Management Division (TS-793)

TO: (b) (6), (b) (7)(C)
Existing Chemical Assessment Division (TS-778)

I have reviewed your request for storage of TSCA CBI on a limited basis at the home of (b) (6), (b) (7)(C)

I believe this special situation warrants an exception to our security manual procedures, and I am willing to grant approval under the following conditions:

1. You submit a new EPA Form 7740-6 TSCA CBI Access Request, Agreement, and Approval clearly stating the reasons for the need to store TSCA CBI at (b) (6), (b) (7)(C) home. Please include the date you estimate this special need will end.

2. A TSCA CBI approved storage container is delivered to (b) (6), (b) (7)(C) residence, and the residence is inspected and approved by the TSCA Security Staff.

3. All procedures contained in the TSCA Confidential Business Information Security Manual be strictly adhered to.

4. Storage of TSCA CBI documents at (b) (6), (b) (7)(C) home, be limited to 90 days.

When you are ready for the residence inspection, please contact (b) (6), (b) (7)(C) of my staff at (b) (6), (b) (7)(C). If you have any document control, or handling questions, call (b) (6), (b) (7)(C) the OTS DCO at (b) (6), (b) (7)(C).

If you have any additional questions, please contact me or (b) (6), (b) (7)(C) directly.

(b) (6), (b) (7)(C)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

FEB 5 1997

OFFICE OF
PREVENTION, PESTICIDES AND
TOXIC SUBSTANCES

MEMORANDUM

SUBJECT: Work at Home Agreement

(b) (6), (b) (7)(C)

FROM:

(b) (6), (b) (7)(C)

Chemical Screening and Risk
Assessment Division (7402)

TO:

(b) (6), (b) (7)(C)

Risk Analysis Branch
Chemical Screening and Risk
Assessment Division (7402)

This agreement between (b) (6), (b) (7)(C) and the Chemical Screening and Risk Assessment Division (CSRAD) will begin on February 1, 1997, and end on February 1, 1998. It has been initiated because the (b) (6), (b) (7)(C) prevents regular commuting to (b) (6) official duty station (6)

Your official tour of duty will be 6:30 am, to 3:00 pm, five (5) days per week, and your official duty station is 401 M Street SW, Washington, D.C. 20460. The alternate duty station is your home (b) (6), (b) (7)(C). All pay, leave and travel entitlement will be based on the employee's official duty station. The CSRAD timekeeper will have a copy of the work at home schedule.

You will obtain supervisory approval before taking leave in accordance with established office procedures. By signing this memorandum, you agree to follow established procedures for requesting and obtaining approval of leave. If you borrow Government equipment, you will borrow and protect the Government equipment in accordance with the procedures established in FIRM Bulletin 30, October 15, 1985. If you provide your own equipment you will be responsible for servicing and maintaining it.

The Government will not be liable for damages to any personal property, nor will we be responsible for operating costs or any maintenance within your residence.


You will receive assignments from your supervisor and work will be reviewed as necessary. You will complete all assigned work according to work procedures mutually agreed upon by you and your supervisor.

You will apply approved safeguards to protect Government/agency records from unauthorized disclosure or damage, and you will comply with the Privacy Act of 1974.


We agree that the aforementioned criteria for working at home be adhered to for the length of time stated.

Attachment

(b) (6), (b) (7)(C)


A large rectangular black redaction box covering several lines of text.

(b) (6), (b) (7)(C)

A rectangular black redaction box covering a single line of text.

Chemical Screening and Risk Assessment Division

(b) (6), (b) (7)(C)

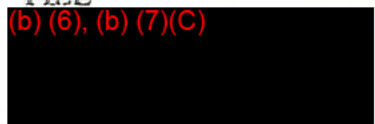
A large rectangular black redaction box covering approximately eight lines of text.

Risk Analysis Branch

Chemical Screening and Risk Assessment Division

cc: FILE

(b) (6), (b) (7)(C)

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

NOV -2 1992

OFFICE OF
PESTICIDES AND TOXIC
SUBSTANCES

MEMORANDUM

SUBJECT: Work at Home Agreement

FROM: (b) (6), (b) (7)(C)
Chemical Screening and Risk
Assessment Division (TS-778)

TO: (b) (6), (b) (7)(C)
Risk Analysis Branch
Chemical Screening and Risk
Assessment Division (TS-778)

This agreement between (b) (6), (b) (7)(C) and the Chemical Screening and Risk Assessment Division (CSRAD) will begin on November 6, 1992, and end on November 6, 1993. It has been initiated because the (b) (6), (b) (7)(C) prevents regular commuting to (b) (6), (b) (7)(C) official duty station.

Your official tour of duty will be 7:00 am, to 3:30 pm, five (5) days per week. Your official duty station is 401 M Street SW, Washington D.C., 20460. The alternate duty station is your home (b) (6), (b) (7)(C). All pay, leave and travel entitlements will be based on the employee's official duty station. The CSRAD timekeeper will have a copy of the work at home schedule.

You will obtain supervisory approval before taking leave in accordance with established office procedures. By signing this memorandum, you agree to follow established procedures for requesting and obtaining approval of leave. If you borrow Government equipment, you will borrow and protect the Government equipment in accordance with the procedures established in FIRM Bulletin 30, October 15, 1985. If you provide your own equipment you will be responsible for servicing and maintaining it.



Printed on Recycled Paper

-2-

The Government will not be liable for damages to any personal property, nor will we be responsible for operating costs or any maintenance within your residence.

You will receive assignments from your supervisor and work will be reviewed as necessary. You will complete all assigned work according to work procedures mutually agreed upon by you and your supervisor.

You will apply approved safeguards to protect Government/ agency records from unauthorized disclosure or damage. You will comply with the Privacy Act of 1974. You will adhere to procedures required in the TSCA Confidential Business Information Security Manual. You will adhere to specific stipulations outlined in the May 8, 1990 memorandum on "Request for Storage of TSCA CBI at the Private Residence of an EPA Employee" from (b) (6), (b) (7)(C) IMD to (b) (6), (b) (7)(C) ECAD. (Copy attached)

We agree that the aforementioned criteria for working at home will be adhered to for the length of time stated. (b) (6), (b) (7)(C)

Chemical Screening and Risk Assessment Division
(b) (6), (b) (7)(C)

Risk Analysis Branch
Chemical Screening and Risk Assessment Division

cc: FILE
(b) (6), (b) (7)(C)

Disclosure and Acknowledgment Form

An agreement between Mark Townsend and the Environmental Protection Agency (EPA) Office of the Inspector General (OIG) Office of Investigations Headquarters (OI HQ) Agency 1200 Pennsylvania, Ave NW Mail Code 2431T, Washington, DC 20460.

- (b) (6), (b) (7)(C)
1. I hereby acknowledge that I have been informed by Special Agent(s) [redacted] that there is an ongoing Internal Affairs (IA) / Criminal Investigations (CI): Case #: IA / CI 01-HQ-2012-ADM-0119. The aforementioned case agent(s) has instructed me to not discuss this investigation with supervisors, management, co-workers, witnesses, victims, suspects or other non-legal parties. The information disclosed during the investigation is sensitive and not to be disclosed without the expressed written consent of the EPA OIG OI HQ personnel.
 2. I have been advised by Special Agent(s) [redacted] that the unauthorized disclosure of information associated with this case may be viewed as an attempt to hinder the investigative process, impede justice or alter the results of the investigation and maybe subject to criminal and/or administrative charges.
 3. I further understand that information disclosed by the EPA OIG OI Directorate is considered at a minimum, Law Enforcement Sensitive / For Official Use Only and shall not be discussed with anyone other than an attorney hired by me or a prosecutor for the United State Government. Information disclosed during the course of the investigation is not for dissemination to the general public.
 4. I have been advised that any leaks or unauthorized disclosure of information may result in adverse actions which may include, but not limited to, the loss of my security clearance, access to my place of employment, criminal charges, and administrative charges.
 5. I understand that the United States Government may seek any remedy available to enforce this Agreement.
 6. I will hold any information disclosed to me by the EPA OIG OI HQ Case Agent as confidential and will not disclose it without the express consent of the Case Agent.
 7. I have read this Agreement carefully and my questions, if any, have been answered.
 8. I acknowledge that Special Agent(s) [redacted], EPA OIG OI HQ has discussed the sensitivity of an ongoing investigation and the breach of any unauthorized information. I acknowledge my responsibility to protect information associated with this investigation and do solemnly swear or affirm to protect that information.

Signature: [redacted]

Date: Aug 3 2012

The execution of this Agreement was witnessed by the undersigned.

Signature: [redacted]

Printed Name: [redacted]



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

SWORN STATEMENT

DATE: 7/3/12 (b) (6), (b) (7)(C)

STATEMENT OF: (b) (6), (b) (7)(C)

I, (b) (6), (b) (7)(C), have been interviewed by Special Agent (SA) (b) (6), (b) (7)(C) of the U.S. Environmental Protection Agency, Office of Inspector General. At this time, I desire to make the following statement. I make this decision freely, knowingly, and voluntarily, and without any threats or promises having been extended to me.

(b) (6), (b) (7)(C)
Signature: (b) (6), (b) (7)(C)

Date and Time: July 3 2012 2 PM

Location: EPB 1301 Constitution Ave NW 1330 10
(b) (6), (b) (7)(C)

Witness: _____

Witness: _____

Page 1 of 5

Initials: (b) (6), (b) (7)(C)

RESTRICTED INFORMATION
SWORN STATEMENT

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July 3, 2012

Statement of (b) (6), (b) (7)(C)

BC HPVC Branch, OPPT, EPA

On this date, I was interviewed by Special Agents (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) regarding my time as manager in RAD, OPPT, and my supervision, management, and time keeping of (b) (6), (b) (7)(C) (b) (6), (b) (7)(C)

(b) (5), (b) (6), (b) (7)(C)



2 of 5

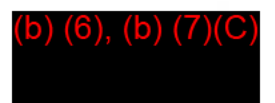
(b) (6), (b) (7)(C)

(b) (5), (b) (6), (b) (7)(C)



3 of 5

(b) (6), (b) (7)(C)

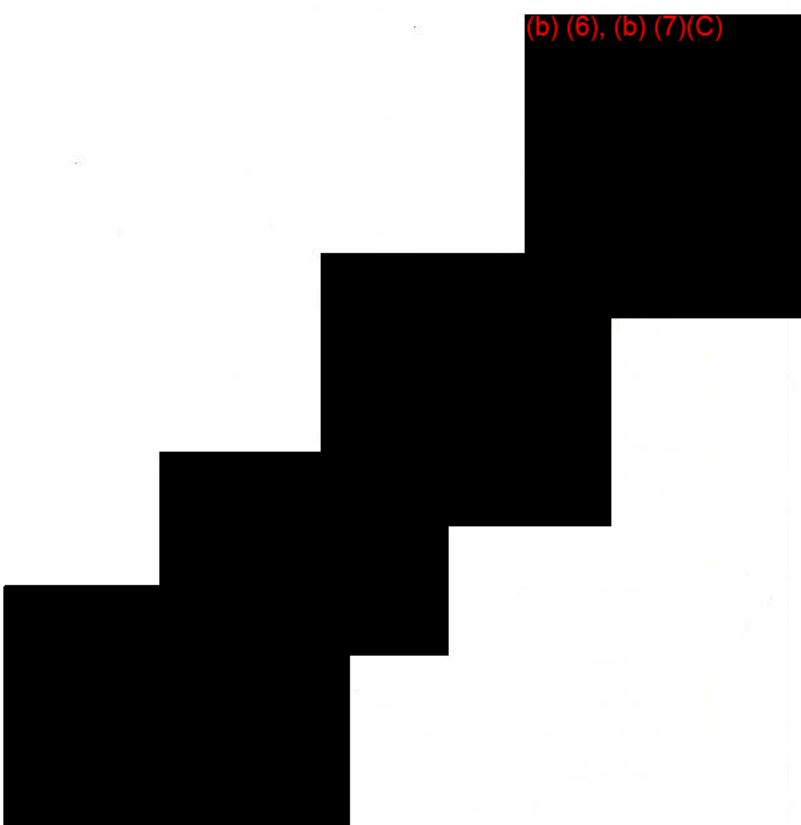


(b) (5), (b) (6), (b) (7)(C)



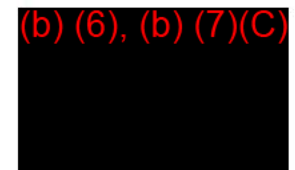
I affirm that the above facts as stated are true and accurate to the best of my recollection.

(b) (6), (b) (7)(C)



4 of 5

(b) (6), (b) (7)(C)



I acknowledge that I have read this statement consisting of 5 pages in its entirety. I have initialed each page and correction and signed the statement. I declare under penalty of perjury that the foregoing statement is true and correct.

(b) (6), (b) (7)(C)

Signature: _____

Date and Time: _____

July 3, 2012 6 PM

(b) (6), (b) (7)(C)

Special Agent: _____

Witness: _____

Page 5 of 5

Initial _____

(b) (6), (b) (7)(C)

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL
1301 CONSTITUTION AVE., NW
WASHINGTON, DC 20004

MEMORANDUM OF INTERVIEW

Interview Date:	APRIL 23, 2013
Case Name:	ALLEGATIONS OF EMPLOYEE MISCONDUCT AND FRAUD: (b) (6), (b) (7)(C)
Case Number:	OI-HQ-2012-ADM-0119
Interviewee:	MARK TOWNSEND, BRANCH CHIEF, RAD, OPPT, EPA
Interview Location:	UNITED STATES ATTORNEY'S OFFICE, 555 4 TH STREET, NW, WASHINGTON, DC 20530, SUITE 500
Interviewed By:	ASSISTANT UNITED STATES ATTORNEY JAMES SMITH
Witnesses:	SPECIAL AGENT (b) (6), (b) (7)(C)

On April 23, 2013, at approximately 1:15 pm, Assistant United States Attorney (AUSA) James Smith (Smith), Department of Justice and Special Agent (SA) (b) (6), (b) (7)(C) J.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), Office of Investigations (OI), interviewed Mark W. Townsend (Townsend), Branch Chief, EPA Office of Pollution Prevention and Toxics (OPPT), Risk Assessment Division (RAD), the AUSA's office located at 555 4th Street, NW, Washington, DC 20530, Suite 500. Also present during the interview was (b) (6), (b) (7)(C) Attorney at Law, Townsend's legal representation. Townsend volunteered to meet with AUSA Smith and SA (b) (6), (b) (7)(C) to discuss additional information he had regarding employee misconduct taking place in OPPT. Townsend is alleged to have been involved in time and attendance fraud by allowing (b) (6), (b) (7)(C) to collect a government salary without producing any work or coming into an EPA facility.

After AUSA Smith and SA (b) (6), (b) (7)(C) identified themselves, Townsend provided the following information:

Townsend stated that he has a (b) (6), (b) (7)(C) and has worked at EPA since 1980. (b) (6), (b) (7)(C) explained that in 1986 he became a supervisor at EPA.

Townsend stated that prior to becoming a supervisor, he knew and worked with (b) (6), (b) (7)(C) (b) (5), (b) (6), (b) (7)(C)

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Townsend stated that in approximately 2006, he was promoted to branch chief in the division of OPPT, currently called RAD. Townsend explained that (b) (6), (b) (7)(C) was assigned under (b)

(b) (5), (b) (6), (b) (7)(C)



(b) (5), (b) (6), (b) (7)(C)



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(b) (5), (b) (6), (b) (7)(C)



When asked if Townsend knew of additional employees and supervisors who were conducting their duties similar to how Townsend dealt with (b) (6), (b) (7)(C), Townsend stated that he had made a list of employees in OPPT that he knew were not doing work and supervisors that were approving their time and attendance records with this knowledge of lack of work productivity (attachment 1).

(b) (5), (b) (6), (b) (7)(C)



The interview ended at approximately 3:00 pm.

Attachment:

1. Document provided by Mark Townsend containing EPA employees who are not doing any work and their supervisors who are approving their time and attendance records.

Attachment:

1. Document provided by Mark Townsend containing EPA employees who are not doing any work and their supervisors who are approving their time and attendance records.



Townsend Provided
Info.pdf

(b) (5), (b) (6), (b) (7)(C)





U.S. Department of Justice

Ronald C. Machen Jr.
United States Attorney

District of Columbia

*Judiciary Center
555 Fourth St., N.W.
Washington, D.C. 20530*

December 17, 2013

VIA EMAIL

(b) (6), (b) (7)(C)

Special Agent
Environmental Protection Agency
Office of Inspector General

RE: Mark Townsend & (b) (6), (b) (7)(C) Investigation

Dear Special Agent (b) (6), (b) (7)(C)

This letter is in response to your referral of possible charges of theft of government property and other related charges against Mark Townsend and/or (b) (6), (b) (7)(C). Based on the available information, the United States Attorney's Office declines to prosecute, federally or locally, this matter at this time. If there is additional information that you wish us to consider of if you have any questions, please feel free to contact our office.

Very truly yours,

RONALD C. MACHEN JR.
United States Attorney

By: 
ANGELA PEGRAM SAFFOE
Assistant U.S. Attorney
Fraud and Public Corruption Section
(202) 252-7776